Consumer Price Outlook Bleak for New Year

By James M. Shevis

American consumers can expect to pay more for retail goods and services well into the new year as the result of steeper interest rates on home mortgages and expected higher prices for food and transportation.

Standing 12.7 percent above the year-earlier level, the government's consumer price index for November seemed to prefigure the probable course of inflation in at least the first part of 1981. Higher prices for food, housing, and transportation accounted for practically all of the month's 1-percent increase in the CPI, the Bureau of Labor Statistics reported.

"THE OUTLOOK over the next few months is for continual worsening of inflation, with food prices continuing to rise sharply, housing further affected by high mortgage interest rates, and oil prices reflecting the newest round of OPEC price changes," observed Rudy Oswald, director of the AFL-CIO Dept. of Economic Research.

"Inflation rates in the 12- to 13-percent range appear to be likely for quite a few more months to come," Oswald said.

Some forecasters see a slight slowdown in the price spiral possible by the end of 1981, with the inflation rate dropping to 10 or 11 percent. But variables in the inflation mix, particularly energy prices and mortgage interest rates, make long-range projections difficult, they acknowledge.

Several key factors that analysts expect to start pumping up the CPI during the next few months began accelerating in November. Gasoline prices, which fell five-tenths of 1 percent in September and rose only three-tenths of 1 percent in October, jumped nine-tenths of 1 percent in November. Beef prices rose eight-tenths of 1 percent after declining six-tenths of 1 percent the month before.

ALSO, MORTGAGE interest rates, which work their way into the CPI with a lag of a few months, rose faster during November than in the previous month. Mortgage rates were up 2.8 percent over the month, compared to a 1.9-percent increase in October, BLS reported.

These special, volatile components

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AFL-CIO News

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$6,000 CHECK for the AFL-CIO's Cambodian relief fund represents contributions from union pilots on Trans World Airlines. Capt. John P. Gratz presents the check to AFL-CIO President Lane Kirkland on behalf of the TWA pilots. At right is ALPA President John J. O'Donnell, an AFL-CIO vice president.

Regional Meetings Aim to Strengthen Labor's Programs

A series of seven regional conferences will be held by the AFL-CIO early in 1981 to bring together federation leaders, officers of state and local central bodies and national and regional staff to discuss strengthening the federation's structure and programs.

"As we enter the AFL-CIO's centennial year," Federation President Lane Kirkland said in a letter announcing the conferences, "it is time once again to re-examine labor's aspirations and challenges. It is time, too, to strengthen and nourish the local roots of our movement."

THE REGIONAL meetings, which begin in March, are an expansion of the area conferences formerly conducted by the AFL-CIO Committee on Political Education. Kirkland said they "will concern all aspects of the AFL-CIO" and are designed "to produce a free flow of ideas, opinions and evaluations of labor programs at all levels."

Kirkland, AFL-CIO Sec.-Treas. Thomas R. Donahue and heads of the federation's staff departments will participate in each of the two-day conferences and meet with state and local central body officers and the federation's regional and COPE staff.

ALSO TAKING part will be representatives of the Coalition of Labor Union Women, the A. Philip Randolph Institute, Frontlash, the National Council of Senior Citizens and the Labor Council for Latin American Advancement.

"The new year brings both opportunities and challenges," Kirkland said. "We mean to take full advantage of the new possibilities by strengthening the structure of the AFL-CIO and the two-way flow of ideas."

The schedule of conferences:

Mar. 5-7, in Philadelphia to include Pennsylvania, Ohio, West Virginia, Delaware, Maryland, Kentucky, Virginia and the District of Columbia.

Mar. 9-11, in Boston to include Massachusetts, New York, New Jersey, Connecticut, Rhode Island, Vermont, Maine and New Hampshire.

Mar. 19-21, in Chicago to include Illinois, Michigan, Iowa, Wisconsin, Indiana and Minnesota.

Mar. 26-28, in San Francisco to include California, Washington, Oregon, Nevada, Hawaii and Alaska.

Mar. 30-Apr. 1, in Denver to include Colorado, Montana, Utah, New Mexico, South Dakota, Wyoming, Idaho, Arizona, North Dakota and Nebraska.

Apr. 2-4, in Atlanta to include Georgia, Alabama, Tennessee, Florida, Mississippi, North Carolina and South Carolina.

June 4-6, in New Orleans to include Louisiana, Oklahoma, Arkansas, Texas, Kansas and Missouri.

Additional details will be provided participants in advance of the meetings.

Senate Shift Reflected In Committee Lineups

By David L. Perlman

Senate committee lineups for the new 97th Congress reflect the tilt to the right that resulted from the switch from a 59-41 Democratic majority to 53-47 Republican control.

Not all of the new Republican committee chairmen are conservatives, but most are. And nearly all committees will have conservative majorities, including those headed by moderate-to-liberal Republicans.

House committee lineups won't be set before mid-January, after the new Congress has convened. But most House changes will be in personalities rather than politics, since Democrats will continue as the majority party in the House.

Here's a capsule summary of major Senate committee changes following party caucuses held in December:

AGRICULTURE — Changes from 10 Democrats, 8 Republicans to 9 Republicans, 8 Democrats. Jesse Helms (R-N.C.), with an ultra-conservative voting record of 90 percent "wrong" votes by COPE standards, will take over as chairman. The election defeats of both Herman E. Talmadge (D-Ga.) and George McGovern (D-S.D.) make Walter Huddleston (D-Ky.) the ranking minority member. The committee has jurisdiction over food stamps as well as farm policies.

APPROPRIATIONS — Changes from 17 Democrats, 11 Republicans to 15 Republicans, 14 Democrats. Mark O. Hatfield (R-Ore.), a moderate, replaces election victim Warren G. Magnuson (D-Wash.) as chairman. But seven of the eight new Republicans on the committee are clearly conservative. The ranking minority member is William Proxmire (D-Wis.). Funding for nearly all government programs must pass the committee's scrutiny.

ARMED SERVICES — From 10 Democrats, 7 Republicans to 9 Republicans, 8 Democrats. Relatively little change as John Tower (R-Tex.) moves up to chairman and John C. Stennis (D-Miss.) steps down to ranking minority member.

BANKING, HOUSING & URBAN AFFAIRS — From 9 Democrats, 6 Republicans to 8 Republicans, 7 Democrats. The new chairman is the very conservative Jake Garn (R-Utah), no friend of cities or public housing. Harrison A. Williams, Jr. (D-N.J.), has been designated the ranking minority member, and the committee is closely divided along liberal-conservative lines.

BUDGET — From 12 Democrats, 8 Republicans to 12 Republicans, 10 Demo-

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Bargaining Order Slaps Runaway, Boycott Target

A runaway Massachusetts plant, the target of an AFL-CIO-backed consumer boycott, has been slapped with a bargaining and backpay order by a National Labor Relations Board judge.

Administrative Law Judge Sidney Barban ruled that Marine Optical Co. of Massachusetts was guilty of unfair labor practices when it shifted its operations without warning in 1979, tossing aside its longtime bargaining relationship and existing contract with the Electrical, Radio & Machine Workers.

BARBAN FOUND that the firm violated the National Labor Relations Act by failing to live up to the terms of its 1977-80 contract with IUE Optical Workers Local 408, unilaterally changing wages and

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Reagan Nears Completion Of Cabinet Appointments

President-elect Reagan announced five more choices for Cabinet posts, bringing the Cabinet-selection process to its final stages. Only the Secretary of Education and the Special Trade Representative, a Cabinet-level post, are still to be named.

Reagan designated James Burrow Edwards to head the Dept. of Energy, one of two departments that he has said should be abolished. The other is the Dept. of Education.

EDWARDS SERVED as the first Republican governor in South Carolina's history and returned to the private practice of dentistry last year after his term expired. South Carolina law prohibits two successive terms as governor, but Edwards has been talked about as a gubernatorial candidate in 1982. He is considered a staunch conservative.

Reagan also announced these Cabinet and Cabinet-level nominations, in addition to the selections made earlier and previously reported in the AFL-CIO News:

Secretary of the Interior: James G. Watt, a former Interior Dept. official who now heads the Denver-based Mountain States Legal Foundation. The foundation, established with the financial backing of Joseph Coors, the right-wing brewery magnate, has mounted legal challenges to prevent potential oil lands from being declared wilderness areas and has fought Environmental Protection Agency efforts to enforce auto pollution standards for Colorado. He is 42 and has served as an aide to former Sen. Milward Simpson (R-Wyo.) and on the staff of a U.S. Chamber of Commerce panel on natural resources.

Secretary of Agriculture: John R. Block, who since 1977 has been director of the Illinois Dept. of Agriculture. Block is a 1957 West Point graduate, but since 1980 has been a successful working farmer who expanded his family farm from 300 to 3,000 acres.

Secretary of Housing & Urban Development: Samuel Pierce, a highly successful black lawyer and board member of leading corporations. Pierce, whose law

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Economic Ills, Election Top '80 Issues

By Press Associates, Inc.

The year 1980 opened with the death of George Meany, a dominant figure in the labor movement for a quarter-century, and came to a close with the election of Ronald Reagan, the most conservative candidate to seek the White House in modern times.

In between, the American people were buffeted by persistent high-level inflation and a recession that pushed the jobless rate to 7.8 percent. At the same time, long-term problems aggravated by soaring energy costs and uncontrolled imports hit the auto and steel and auto-related industries.

Still, labor could count victories on the organizing and bargaining fronts even while it was adapting to new economic and political realities.

The Steelworkers scored a major victory at the Newport News, Va., shipyard and the Clothing & Textile Workers won a contract at J. P. Stevens after a 17-year struggle. AFL-CIO President Lane Kirkland established relations that could lead to the reaffiliation of the Auto Workers, Teamsters and Mine Workers.

But as the year came to a close, labor's eyes were on the incoming Reagan Administration, a U.S. Senate under Republican control and a House likely to be dominated by a conservative coalition. Protective labor laws and social programs of the past half-century could well be at stake.

It was an eventful year, summarized through these headlines from the files of Press Associates and the AFL-CIO News.

JANUARY

George Meany, a giant of the American labor movement for a quarter-century, dies at the age of 85 . . . Tributes from leaders throughout the world hail Meany's accomplishments . . . AFL-CIO President Lane Kirkland says Meany's legacy is the federation itself . . . Final farewell paid to Meany at funeral mass in capital . . . First economic reports of 1980 spell trouble . . . Low-paid workers gain as minimum wage rises to $3.10 . . . 60,000 OCAW refinery workers strike nation's big oil companies . . . OSHA announces final policy to curb cancer in workplace . . .Carter warns Soviets that the United States will defend Persian Gulf . . . Labor leaders back U.S. boycott of Moscow Olympics . . . Pay advisory group recommends 7.5-9.5 percent wage hike range . . . Consumer prices soar 1.2 percent in December . . . The AFL-CIO Departments of Publications and Public Relations merge to form the Dept. of Information.

People: Albert J. Zack, federation public relations director for 22 years, retires . . . Saul Miller, formerly publications director, is named director of the new Dept. of Information . . . Kenneth Young becomes executive assistant to Kirkland and Ray Denison succeeds Young as AFL-CIO legislative director . . . Deaths include retired labor educator George T. Guernsey, former Clothing Workers Vice President Louis Hollander and Fire Fighters Sec.-Treas. Emeritus George J. Richardson.

FEBRUARY

Jobless rate hits 6.2 percent in January, highest rate in 18 months . . . Carter budget boosts defense, holds social programs level . . . Carter economic report forecasts high unemployment, inflation . . . Energy coalition urges price controls to curb oil company ripoffs . . . Kirkland hails U.S. return to International Labor Organization . . . AFL-CIO Executive Council calls for government policies that lead to economic growth "rather than stagnation, recession and joblessness" . . . Council acts to open more AFL-CIO leadership posts to women, minorities, and backs talks on reaffiliation of UAW, Teamsters, Mine Workers . . . Consumer prices soar 1.4 percent for January, at annual rate of 18 percent.

People: Frank Drozak elected president of AFL-CIO Maritime Trades Dept. to succeed Paul Hall . . . President Fred J. Kroll of the Railway & Airline Clerks is elected chairman of the Railway Labor Executives Association . . . Norman Hill succeeds Bayard Rustin as president of the A. Philip Randolph Institute . . . Leo Perlis, AFL-CIO Community Services director since 1955, retires.

MARCH

AFL-CIO Executive Council sets plan to share successful organizing techniques with affiliates . . . Supreme Court upholds right of worker to refuse highly dangerous work . . . OSHA seeks record $786,190 fine against Newport News Shipbuilding . . . Citing cost increases in energy, food, housing and medical care, Kirkland calls on Congress to forget balanced budget and focus on "real causes of inflation" . . . OCAW wins pact at Gulf after 11-week industrywide strike . . . Housing starts fall 6.3 percent in February to lowest level since 1975 . . . Worker buying power plunges 1.4 percent as inflation continues . . . Brown lung victims ask Congress for federal compensation standard . . . Steelworkers ratify pact with Newport News Shipbuilding, bringing 12-week strike to an end.

People: The House votes to issue a medal to honor the late trade union and civil rights leader A. Philip Randolph . . . Francis A. Maile, political education director of the Rubber Workers, dies.

APRIL

Jobless rate for March hits 6.2 percent . . . AFL-CIO leads new coalition to fight budget cuts in social programs . . . Labor-backed study shows "unjustified" plant closings wipe out millions of jobs . . . Frances Perkins Labor Dept. headquarters dedicated . . . Barbers okay merger with UFCW . . . Housing starts plummet 22 percent, factories slow; recession here, Carter confirms . . . Unions blast Schweiker bill to curb job safety inspections . . . Steelworkers win major gains for 290,000 . . . Consumer prices soar 1.4 percent; worker buying power down 7.9 percent.

People: Senate confirms William A. Lubbers as general counsel of the National Labor Relations Board . . . Harry H. Pollak named special assistant on labor affairs to the Secretary of State . . . George L. O'Brien, retired president of the Railway Carmen, dies.

MAY

Jobless rate soars to 7 percent for April . . . Economic indicators plunge as recession signs spread . . . Supreme Court rebuffs Stevens, ACTWU gains access to workers . . . AFL-CIO reaffirms "National Accord" with Carter but scores Administration for budget cuts . . . EPA sets rules to control toxic wastes . . . Jewelry Workers merge with Service Employees . . . Kirkland tells IUD parley that manufacturing base must be rebuilt . . . Fraser elected to Chrysler board; $1.5 billion in aid okayed . . . OSHA issues new rules giving workers access to employer files on worker health, toxic substances.

People: Walter G. Davis named AFL-CIO Community Services director . . . Dorothy Shields succeeds Davis as education director . . . Frank F. Pollara, an assistant to Kirkland, retires, and Dale Good is appointed to Kirkland's staff . . . George O. Fecteau, long-time president of the United Shoe Workers, dies.

JUNE

More workers—675,000—file for jobless aid in mid-May than in any week since government started keeping records . . . Nation's productivity down for fifth straight quarter . . . Cost of necessities up 23.7 percent for first quarter '80 . . . Contract settlements reached in longshore, aluminum, wood products . . . Unemployment jumps to 7.8 percent for May . . . Congress okays "balanced" budget for fiscal '81; recession seen forcing deficit . . . Basic steel layoffs near 28 percent: Steelworkers demand job growth plan . . . AFL-CIO urges public works program to create jobs . . . Truce between UFCW, Winn-Dixie signals end to boycott . . . Chrysler gets U.S. loan guarantee . . . AFL-CIO asks 13-week extension of jobless benefits . . . Congress okays synfuels legislation.

People: Paul Hall, senior vice president of the AFL-CIO and long-time president of the Seafarers, dies . . . Service Employees elect John J. Sweeney president to succeed retiring George Hardy and Richard W. Gordtz elected SEIU secretary-treasurer . . . Ernest C. Jones elected president of the Indiana AFL-CIO.

JULY

Supreme Court voids OSHA benzene rule . . . Auto parts supplier unions unite to urge import restraints . . . Carter ends limits on Japanese color TV imports despite labor protests . . . Carter announces aid plan for auto industry . . . Accepting Republican Party nomination, Reagan issues appeal to turn U.S. to conservatism . . . Second-quarter economic slide worst since '74 recession . . . Unemployed visit Capitol Hill to urge jobs programs . . . Railroad unions ask Congress to keep retirement fund solvent . . . Coalition of 26 unions strikes copper industry . . . motion picture and television industry struck by performers' unions . . . Frank Drozak elected president of Seafarers.

AUGUST

Unemployment hangs at 7.8 percent in July . . . CWA bargainers reject AT&T offer; Musicians join actors in strike . . . ACTWU, J. P. Stevens hold talks . . . Machinists' monitors find pro-business bias in TV news . . . Wages up 9.5 percent in major pacts in first half of '80 . . . Accepting Democratic Party nomination, Carter says nation must choose between two futures in November elections . . . CWA, IBEW win Bell pacts; major gains for 700,000 . . . BRAC, Rail Supervisors sign merger pact . . . U.S. labor expresses solidarity with striking Poles . . . CPI stays level in July for first time in 13 years.

People: Three new members elected to the Executive Council are SEIU President John J. Sweeney, Vice President Joyce D. Miller of the Clothing & Textile Workers —the council's first woman member—and President William Konyha of the Carpenters; William Sidell and George Hardy retire . . . IAFF elects John A. Gannon president as William H. McClennan retires; Martin E. Pierce elected secretary-treasurer . . . Senate confirms Don A. Zimmerman as NLRB member . . . Daniel J. Healey, AFL-CIO regional director, and Msgr. George G. Higgins of the U.S. Catholic Conference announce retirements.

SEPTEMBER

President Carter unveils "economic renewal" plan to create a million jobs in two years . . . House passes youth employment act . . . AFL-CIO Executive Council calls for National Reindustrialization Board to modernize U.S. economy . . . AFL-CIO General Board endorses Carter for re-election, pledges all-out effort . . . Jobless rate dips to 7.6 percent for August . . . Postage stamp honoring Meany unveiled at White House . . . AFL-CIO creates Polish Workers Aid Fund . . . Carter okays 9.1 percent wage boost for federal workers . . . OSHA lists substances causing cancer in workplace. AFL-CIO Industrial Union Dept. asks Congress to fashion policy to counteract plant closings . . . Communications Workers ratify Bell System pact . . . Barbers & Beauticians merge with Food & Commercial Workers.

People: Anthony J. Lutty elected UFCW secretary-treasurer on retirement of Samuel J. Talarico . . . James Freeman appointed director of AFL-CIO Region I . . . Deaths include Patrick J. Gorman, a principal officer of the Meat Cutters for a half-century.

OCTOBER

Jobless rate edges down in September to 7.5 percent . . . Conservatives block extended jobless pay . . . Carter offers plan to revitalize steel industry . . . Carter signs multi-employer pension bill protecting 8 million workers . . . Supreme Court upholds federal jobless standards for state and local workers . . . UAW, AFL-CIO ask trade commission to curb auto imports . . . Carter signs rail deregulation and safety bills backed by rail unions . . . ACTWU breaks through at J. P. Stevens, wins 10-month pact after 17 year struggle.

People: Moe Biller elected president of the Postal Workers over incumbent Emmet Andrews . . . Deaths include R. Wayne Williams, president emeritus of the Elevator Constructors; Franklin J. Murphy, retired AFL-CIO regional director, and Harry H. Pollak, labor affairs adviser at the State Dept.

NOVEMBER

Organized labor pours its resources into 1980 elections . . . Workers average 9.7 percent in major pacts in 1980 . . . Screen Actors ratify TV pact . . . Reagan elected president, winning 51 percent of vote to Carter's 41 percent, as voters show discontent over inflation and unemployment . . . Republicans capture Senate for first time in 26 years, holding 53-47 edge . . . GOP wins net gain of 33 seats in House, but Democrats keep control . . . Trade Commission rejects unions' petition for auto import curbs . . . Housing permits plunge as high interest rates threaten recovery . . . OSHA reissues walk-around pay rule . . . Coalition of Labor Union Women holds organizing parley . . . AFL-CIO urges Congress to reject subminimum wage . . . Air Line Pilots threaten to suspend service over safety issues . . . Congressional staff study says nation needs 11 million new jobs during 1980s.

People: Lee M. White named coordinator of the federation's centennial program . . . Kenneth Meiklejohn, AFL-CIO legislative representative, retires . . . Deaths include Hunter P. Wharton, president-emeritus of the Operating Engineers and a retired vice president of the AFL-CIO.

DECEMBER

Labor Sec. Marshall hits Reagan task force proposal to dismantle CETA jobs programs . . . CPI rises 1 percent in October pushed up by high interest rates . . . Labor hits proposals by presidential panel to raise retirement age to 68 and tax social security . . . Jobless rate hangs at 7.5 percent for November . . . "Superfund" bill to clean up chemical waste dumps goes to Carter . . . Reagan chooses New Jersey contractor Raymond Donovan to head Labor Dept. . . . Quarter-century struggle ends as 480 Darlington workers and heirs accept $5 million settlement.

People: John Leyden named executive director of the AFL-CIO Public Employee Dept. to succeed retiring John McCart . . . Susan Dunlop elected secretary-treasurer of the International Labor Press Association as Allen Zack steps aside.

27 Million Lack Health Insurance

During the first six months of 1977, some 27 million Americans, or about 13 percent of the population, had no form of health insurance coverage, according to data released by the Dept. of Health & Human Services.

Among age groups, people 18 to 24 were most likely to be uninsured, with some 22 percent lacking protection. The age group most likely to have insurance coverage consisted of those over age 65 for whom Medicare is available.

The agency found wide differences in the likelihood of coverage among the races with over 18 percent of nonwhites likely to be uninsured.

The less educated were also least likely to have health insurance with nearly 16 percent of those over 17, but with less than 12 years of education, lacking insurance compared to 12 percent of high school graduates and 8.9 percent of those with 13 or more years of education.

Almost 18 percent of the population in largely rural areas did not enjoy health insurance protection, and coverage by region of the country was lowest in the South and West.

NLRB Order Hits Violations By Runaway

(Continued from Page 1)

working conditions, and refusing to bargain on a new agreement with the union.

He ordered the company to negotiate with the union, revoke the unilateral changes, and reimburse the affected workers with interest for any loss of earnings or employment benefits they suffered.

The AFL-CIO Executive Council endorsed the IUE's boycott of Marine Optical products at its meeting last May.

Local 408 Business Manager Sebastian J. Rebaldo hailed the NLRB judge's decision as a "tremendous victory," but added: "the battle isn't over yet. We have a way to go."

IUE PRESIDENT David J. Fitzmaurice joined in urging continued support of the boycott until a satisfactory settlement is reached with the firm. The company makes eyeglass frames under the names Bonjour, Givenchy, Voila, Vera, Aviance, Nefertite, Winks, Cotton Candy, and others.

Marine Optical moved its operations to Brockton, Mass., from its Roslindale facility, 17 miles away, over a two-month period in the fall of 1979 after its lease there expired and could not be renewed. Local 408, which had represented the Roslindale workers since 1954, filed charges while the move was taking place, and the Boston NLRB office issued a complaint.

The union sought negotiations of a new agreement to succeed the one that expired in February 1980, but the company refused saying it would not recognize the union at Brockton unless a majority wanted representation. Meanwhile, the firm made numerous changes in benefits and working conditions without consulting the union while the old contract was in effect.

"THESE CHANGES were made without affording the union an opportunity to negotiate," Barban said. He found that Local 408 clearly remained the workers' bargaining agent while the shift in operations occurred, citing an NLRB ruling in another case:

"An existing and effective collective-bargaining relationship remains in effect following (the) relocation, provided operations and equipment remain substantially the same at the new location, and a substantial percentage of the employees at the old plant transfer to the new location."



FOUR FREEDOMS AWARD of the Italian-American Labor Council was given to AFL-CIO President Lane Kirkland at the council's recent meeting in New York City. The award, for service to the ideals of democracy, is presented by E. Howard Molisani, president and executive director of the council and secretary-treasurer of the New York State AFL-CIO.

Italian-American Labor Body Presents Award to Kirkland

New York—AFL-CIO President Lane Kirkland has received the Four Freedoms award of the Italian-American Labor Council, presented for service to the advancement of the ideals of democracy.

In accepting the award, Kirkland called it "the symbol of the devotion of the trade union movement to the aspirations expressed in the Four Freedoms and a symbol of the dedication of Italian-American trade unionists to the principles of the labor movement, to democracy and to economic and social justice for all."

THE ITALIAN-AMERICAN Labor Council was founded in 1941 under the leadership of Luigi Antonini, former Ladies' Garment Workers vice president, to encourage the participation of Italian-American workers in the labor movement and to help counteract fascist, totalitarian ideologies. E. Howard Molisani, is president and executive director of the council.

"From the moment that fascism burst forth upon the world in Italy and Europe," Kirkland told the council's luncheon meeting, "the founders of this council valiantly warned the world of its dangers and fought staunchly to thwart it. Today you are still engaged in the continuing battle against the grip and reach of oppression whether it is found on the political right or among the false prophets of the left."

Kirkland stressed that the trade union movement resists totalitarianism whether in politics or in the economic exploitation of workers. He cited the development of the free labor movement in Poland as evidence of the desire of workers for truly representative unions.

"FEW PEOPLE understand as fully as Italian-American trade unionists the real meaning of the Polish workers movement," Kirkland said, "because few others know so well what it is to stand here where our rights are taken for granted and watch brothers and sisters in Europe confront such risks and odds in the contest for theirs—and what courage and moral strength the challenge of entrenched power requires."

The principles of trade unionism "are the most vital expression of the principles of democracy and human freedom," Kirkland declared.

Case Volume Of Mediation Agency Rises

The Federal Mediation & Conciliation Service handled 20,414 contract negotiation cases during fiscal year 1979, a slight rise of eight-tenths of 1 percent from the previous year but still the second-highest number of the Seventies.

The total, reported in the agency's current annual report, trailed only the record 23,450 cases in fiscal 1977.

THE NUMBER of joint cases—those requiring the presence of a mediator working with both parties during negotiations—jumped by 5.9 percent. Joint cases increased 6 percent in the private sector and 5 percent in the public sector. Increases in these types of cases occurred in every sector of the economy except construction, where they were down 10.8 percent.

Strike activity for the year was higher, FMCS reported, with walkouts occurring in 14.2 percent of the cases handled by the agency's mediators, up from 13.4 percent the previous year and the highest percentage since 1975.

Contract rejections occurred in 11.9 percent of FMCS-handled cases, the same percentage as in 1978 and the second-highest percentage in the 1970s.

Again, as in previous years, the primary issue in joint meeting cases was wages. This was followed, in order of importance, by pensions, insurance, welfare, contract duration, holidays and vacations.

OF ALL dispute cases handled by federal mediators during the fiscal year, 84.9 percent involved contract renewals, 9.4 percent initial contracts, 4.3 percent reopeners, and 1.4 percent exceptional grievances.

Contract renewals negotiated with FMCS assistance in 1979 were of somewhat shorter duration than in previous years, with agreements of three years or more accounting for 61 percent of the total, down from 64.3 percent in the previous year. Similarly, of initial contracts negotiated with FMCS's help, 43 percent were for three years or longer, down from 46.4 percent the previous year.

Arthur Lebel Dies at 66, Retired Field Staffer

Richmond, Me.—Arthur Lebel, a retired AFL-CIO field representative, died Dec. 19 of cancer. He was 66.

Lebel, a member of the Marine & Shipbuilding Workers since 1934, served as a union organizer during the 1940s and '50s before joining the CIO staff in 1954. Following merger, he served on the federation's organizing staff in the New England region. Lebel retired in 1975.

Survivors include his wife Nellie and three children.

Humanities Project Seeks Wider Worker Participation

The Labor Institute for Human Enrichment has announced a new information service to help increase the participation of working people in humanities programs and seminars.

LIFHE, created by the AFL-CIO Dept. for Professional Employees, will fund the project under a $140,000 contract with the National Endowment for the Humanities. The program will include a newsletter for the labor movement covering activities, seminars and other humanities resources in such areas as labor history, literature, philosophy, political science and contemporary social issues. The first edition of the newsletter is planned for early 1981.

SEMINARS WILL also be held for senior labor officials to explore current issues facing labor and society. Ways of increasing the role of labor in state humanities councils will be examined.

The project will be headed by Harry Matthews, scholar in residence at LIFHE. Matthews previously served as director of public and congressional affairs for the Select Commission on Immigration and Refugee Policy and was associate professor of political science at Northern Arizona University.

Matthews pointed out that a major activity of LIFHE's program will be to work closely with state federations of labor to increase their participation in state humanities councils, including the nomination of union members to serve on the councils.

Teachers' President Albert Shanker, who heads both the department and the institute, said the project will be a major step in expanding the availability of a wide variety of humanities programs to workers. Such activities are of interest to many union members, he pointed out, but until now basic information on where, when and how to participate has not been widely available.

"THIS PROJECT is by no means an end in itself," Shanker stressed. "Labor has always been a strong advocate of activities that would enable more working people to enjoy the riches of the arts and humanities. This project represents a continuation of this effort, and we plan to mount an effort to secure—from within the labor movement and from educational and charitable foundations—support for longer-range undertakings in the humanities which will benefit workers, their families and the entire society."

Information on the program is available from the Labor Institute for Human Enrichment, Inc., 815 Sixteenth St., N.W., Suite 509, Washington, D.C. 20006, telephone 202/638-5020.

Federal Employees Hit Veto Of Improved Death Benefit

Leaders of two AFL-CIO unions expressed disappointment at President Carter's veto of legislation that would provide special death benefits to the families of federal workers in hazardous jobs killed in the line of duty.

The measure would have increased the death benefit for federal fire fighters and protective officers from $5,000 to $50,000.

THE EXISTING payment of $5,000 is "hardly enough to bury them," said President Kenneth T. Blaylock of the American Federation of Government Employees.

President John A. Gannon of the Fire Fighters noted that this was Carter's second veto of legislation that would have bettered conditions for federal fire fighters. The first came in 1978 when Carter rejected a measure that would have reduced their 72-hour workweek to 56 hours.

In a message to Carter, Gannon pointed out that federal fire fighters "work 32 hours more per week than the average American worker while serving in the most hazardous occupation in America. Yet they are continually denied benefits that are now received by municipal fire fighters."

Blaylock said Carter's action displayed a continuing lack of concern for federal workers.

NOTING THAT the death benefit measure was overwhelmingly approved by Congress—by a 313-to-56 vote in the House and a voice vote in the Senate—Blaylock said Carter "had no valid reason for denying these workers' families the same improved benefits given to the survivors of other federal law enforcement officers."

Carter contended in his veto message that the legislation would have given certain federal workers preferential treatment.

Looking Ahead

THE TURN of the year—any year—is an occasion for self-analysis, for a review of accomplishments and shortcomings and an examination of what needs to be done to preserve one's physical, mental and spiritual well-being.

The AFL-CIO itself will shortly undertake such a review in a series of regional conferences reaching to organized labor's local roots and exploring all aspects of the federation and its programs.

OF COURSE there has never been a shortage of editorial writers, columnists and academicians willing to do the job for us.

As AFL-CIO President Lane Kirkland put it in a 1980 Federationist magazine article, "Academic analysts and journalistic pulse-takers who have adopted the decline of the labor movement as their thesis are not exactly treading new ground. Since the founding in 1881 of the national trade union center which has evolved into the AFL-CIO, such observers have alternatively predicted either its imminent demise of its eventual withering away."

Small wonder, then, that labor prefers to make its own analysis. Meanwhile, Kirkland's article offers a capsule prognosis:

"I look for substantial gains in union membership over the next decade," he said, "for continued growth in fields in which unions have been gaining members and for expansion in industries and geographic areas in which progress has been slow.

"THERE ARE MANY reasons for this, few of them readily reducible to statistical analysis, which is not the most useful tool for gauging the way people perceive their own needs, goals and common interests. . . .

"As often in the past, an unstable and deteriorating economy is a powerful incentive to union membership. Workers whose buying power is falling daily in the grip of inflation and whose jobs are jeopardized by growing unemployment awaken in such times from the inertia of the vanished status quo to the value of cost-of-living provisions, seniority in layoffs and job recall rights.

"Government wage guidelines that call attention to normative increases that are achievable only through collective bargaining make unorganized workers more conscious of being out in the cold.

"THE AGING of the workforce and the changing role of women will also encourage union membership. While youngsters without responsibilities tend to change jobs or put up with inferior treatment, older workers with family and community ties are more inclined to try to improve the jobs they have.

"As more women become responsible for others and the second incomes of working wives become more vital to family finances, they, too, can be expected to see that their progress depends on collective action.

"All in all, the prophets of doom have badly misread both the present strength and the future prospects of trade unionism in America, and I think my view is shared by America's business leaders. If unions were dead or dying, they would save their energy and money."

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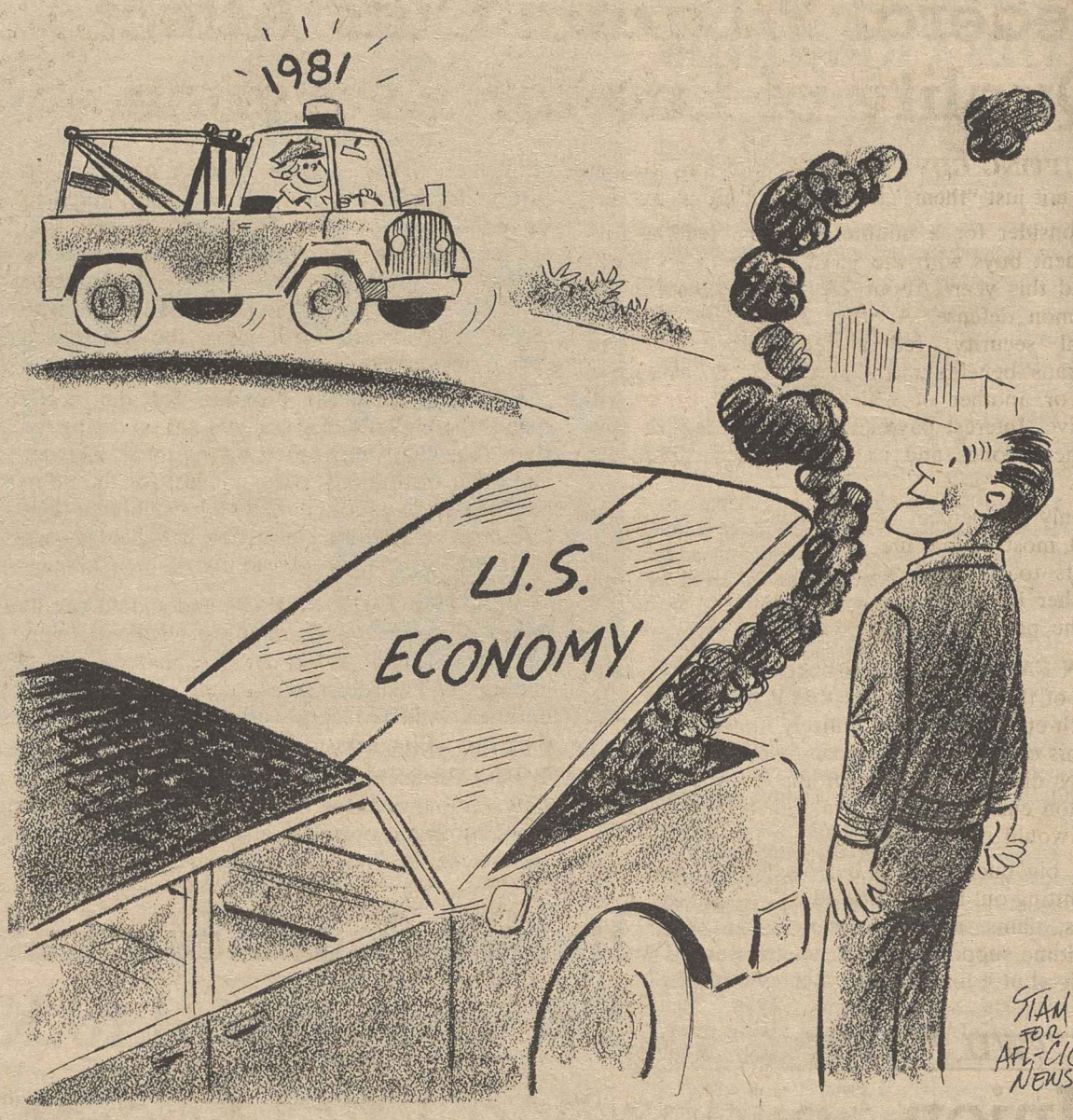
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'If He Can Only Get It Started...'



Backlash Feared

Even Bankers Voice Concern Over Interest Rate Eruption

By Gus Tyler

WHEN BANKS begin to complain about high interest rates, then you know that something must be wrong. We expect to hear groans from little folk trying to get a mortgage, from small businessmen trying to stay afloat, even from somewhat bigger businessmen who want to expand. But we normally do not expect the lender of money to complain about how much he is charging for the loan.

But, of late, banks are bitching.

SAYS ALFRED Brittain 3rd, chairman of Bankers Trust: "I very truly believe we're in the death throes of this present interest-rate convulsion." If we go on as we have, he warns, it "would have a very serious impact on the entire economy."

Says Willard C. Butcher, president of Chase Manhattan: "For many people in business, the goal of prosperity has given way to tenuous economic survival."

Says Cengiz Israfil, vice president of Morgan Guaranty Trust: "The rapidity of the climb in interest rates is having a shock effect that the markets cannot ignore."

IT'S GETTING to the banks because it's getting to their clients. Many won't borrow, and if everyone followed Polonius' advice, "neither a borrower nor a lender be," there would be no bankers.

But, even worse, there are borrowers who can't repay. They got a loan with every intention of meeting all charges on interest and principal. But with the need for ready cash that they can no longer afford, these well intentioned borrowers are going bankrupt and leaving the bank holding the bag—the empty bag.

High interest rates, however, are not hurting people in the private sector alone—from buyer to builder to broker to banker; government is also hard hit.

Says Jim Wright, majority whip of the Democrats in the House of Representatives: "Each percentage point in interest rates increases federal spending by about $2 billion for debt service. So the rise between June when rates bottomed out—and the economy began to recover—and today when the prime rate is almost 18 percent could cost the government roughly $12 billion." (With the actual rate having risen to 20 percent, the revised figure should read $16 billion.)

HIGH INTEREST rates, however, add another hidden cost to government. They bring on unemployment—as their special way of "cooling the economy" to hold down buying power. Says Wright: "One point in unemployment cost the government $20 to $25 billion."

High interest rates are forcing the federal government to spend more than it should—to meet the service on debt and to carry the costs of unemployment.

For the federal government to meet its bills it must spend more and, to do that, it must borrow more and must do so at the ever higher rate of interest.

In an outburst of exasperation, Wright exploded in a one-minute oration to the House: "What will it take for the Federal Reserve to realize that high interest rates are not the cure for inflation but the cause of inflation?"

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Bargaining Process Is Workers' Shield

Collective bargaining is the logical mechanism for the orderly determination of wages and conditions. It is also an appropriate arena in which to make the case for federal workers in the face of undeserved and demoralizing criticisms.

The integrity of the collective bargaining process, with its proven successes, and the true unity of purpose that working people share through their unions, will serve as our shield and banner over the next few months and years as we face a new Administration and Congress.

—AFL-CIO President Lane Kirkland at installation of Letter Carriers' officers.

Saving 'Big Bucks'

Federal Program Cuts Affect Quality of Life for Everyone

CUTTING GOVERNMENT spending touches not just "them," the poor, but all of us.

Consider for a minute what the federal government buys with the $616 billion or so it will spend this year. About 23 percent goes for our common defense. Another 36 percent goes for social security, federal and other pensions, veterans' benefits and related medical coverage—one or another of which almost all of us will receive. Interest payments to all holders of government bonds and notes take another 11 percent.

Only 1.3 percent of the federal budget goes to what most people mean by "welfare," cash payments to about 3 million needy families, and another 1.6 percent to food stamps for 20 million of the poor.

IN FACT, welfare costs are now such a small part of the federal budget that it would almost be worth cutting them out entirely in order to be rid of this convenient scapegoat—were it not for the likely disastrous effect on the lives of some 7 million children, effects we somehow doubt anyone would really relish.

If big bucks are to be saved, it comes down to cutting out benefits for all of us—not just highways, dams, airport subsidies, agricultural and maritime supports, downtown renovations and so forth—but a lot of things that fall in the category of "social service." These include programs to curb child abuse—a problem far from limited to the poor—and to track down fathers who skip out on their child support and alimony payments—most of these aren't poor at all—and subsidized loans for the children of middle-class parents who forgot somehow to stash away the $10,000 a year it now can take for a college education.

Even the Medicaid program for the needy spends the big bulk of its dollars not on caring for slum kids with runny noses, but on nursing homes and other institutional care, not just for the poor, but for people who find themselves outliving their resources and without relatives delighted to assume the cost and responsibility of their care.

YES, THE COUNTRY can and should run its social programs better. But as OMB director-designate David Stockman has noted, waste-cutting "will hardly make a dent" in the budget problem. And reducing waste will take not only time but willingness to invest up-front money in better managerial controls.

If the public has made a decision to cut public spending and investment, it should be quite clear about what this means: everyone will be giving up things that make the particular world we live in a kinder and more pleasant place.

—Excerpted from an editorial in the Washington Post, Dec. 22, 1980.

ACTWU Wouldn't Go Away

Union Solidarity a Vital Factor In Victory of Stevens' Workers

WHAT FINALLY brought the victory (at J. P. Stevens)? What was the straw that at last broke the back of company resistance?

Probably there was no last straw, no single tactic or event. Instead, it was the cumulative weight of a multi-pronged attack, and the steady, even progress made in the courts and before the NLRB; persistent organizing and growing strength among the workers; increasing success and visibility for the boycott; increasing isolation of Stevens because of the corporate campaign.

BUT ONE single event that does stand out came at the 1978 ACTWU convention. It had been 15 years since the first card was signed at a Stevens plant and two years since ACTWU was formed by the merger of the Clothing Workers and the Textile Workers. The union had launched a national boycott in the 1976 merger convention, but still had little to show in the way of progress at J. P. Stevens. Still, at that 1978 convention, the union launched a major step-up in organizing efforts. Undoubtedly, a clear message was passed to Stevens officials that the union would not be worn down and weakened.

The 1,500 elected delegates of 1978 roared support of the beleaguered-Stevens workers and increased their dues by $2 a month to finance the union's massive organizing efforts. In nearly two hours of open debate, ACTWU local union delegates from all over the United States and Canada declared they would devote the necessary resources, no matter how long it would take, to winning at J. P. Stevens and bringing union contracts, wages and benefits into the textile industry in the South.

THE CONVENTION action showed dramatically that the entire union was solidly united behind the Stevens workers. It wasn't just a front office campaign or an organizers' campaign. Roots of support extended deep and ACTWU would be in it for the duration.

There's no way to know for sure, but it seems likely the Stevens management knew then it would have to come to terms with the union eventually. ACTWU just wasn't going to go away.

—From "A Union at J. P. Stevens," by Tom Herriman, in the current issue of the American Federationist, the AFL-CIO monthly magazine.

Poultry Workers Fight for Union

Mass Firings, Abuse of Rights Spur Drive at Perdue Plants

MASS FIRINGS, dangerous working conditions and assaults on workers' rights have firmed up the resolve to win union representation at Perdue chicken plants, Jerry Gordon of the Food & Commercial Workers declared on Labor News Conference.

Gordon, assistant director of UFCW Region 4, said that Perdue's attempts to subvert the drive to form a union have gone far beyond the bounds of fair and lawful activities and spell out a determination to eliminate the union from the poultry business. Gordon said that although much of the industry is non-union, Perdue has mounted a campaign of fear, oppression and reprisals not found among other poultry producers.

"Perdue has declared war on the union," Gordon charged. He said the company's owner, Frank Perdue, who personally promotes his chickens in nationwide radio and TV ads, is not just an open shop employer. Perdue is buying up union plants, closing them down to renovate and modernize, and reopening them with a non-union work force, Gordon said.

He reported that more than 400 production workers were fired at one Perdue plant, and that penalties and discipline for asking to be "relieved from the line to go to the bathroom" are common. He said the union's boycott has been announced in several major East Coast areas.

GORDON SAID the 1.3-million-member UFCW is gearing up a major public education effort on Perdue's oppressive employment practices, the company's serious health and safety law violations, and its refusal to clean up operations that are charged with polluting air and water in several communities.

Washington Window

By Press Associates, Inc.

THE SURGEON GENERAL'S report on the nation's health reads like the popular line: there's some good news and some bad news.

First the good news. National lifestyles have changed over the past decade or so, with more people giving up smoking or cutting down on tobacco consumption. Also, more Americans are eating less of certain calorie- and cholesterol-rich foods like eggs, butter and cream, and getting more exercise.

Now the bad news. One exception to the trend towards healthier lifestyles is the rising number of teenage girls who smoke—up 51 percent in a ten-year period.

More good news. Regardless of income, more people have access to medical care. The percent of U.S. population seeing a physician within two years increased in every age and color group, with the greatest rise among the poor.

BUT THE BAD NEWS is that the poor still may not be getting the care they require to meet their health needs. Also, the poor get fewer preventive services and less dental care than the non-poor.

Sec. Patricia Harris of the Health & Human Services Dept. summed up the findings this way: "This report not only shows how far we have come, but also makes clear how far we have yet to go to conquer disease and assure good health to all in the United States."

Here are some highlights:

- Life expectancy at birth continued to rise, reaching a record 73.3 years in 1978.
- From 1970 to 1978, the death rate from heart disease—the nation's number one killer—dropped by 18 percent, the same amount as it did in the 20 years between 1950 and 1970.
- Deaths from stroke—the nation's number three killer—decreased by a greater amount from 1970 to 1978 than it did in the 20 years from 1950 to 1970, 33 percent compared to 25 percent.
- Deaths from cancer—second only to heart disease in the number of lives lost—has continued to decline for people under age 45 and has recently begun to drop for those 45 to 49 years old.
- The United States continues to have one of the highest rates of teenage fertility among industrial nations although the birth rates for this group are not as high as they were in the early 1970s. Numerous health risks—to mother and child—are associated with early childbearing.
- The infant mortality rate in the United States, which is higher than the rates in most advanced nations, was 13 deaths per 1,000 live births in 1979, a 47-percent drop since 1965. The change is attributed largely to improved survival of low birth-weight babies. Smoking is one cause of low birth-weight. Another is inadequate diet, especially in a teenage pregnancy.

THE RISK FACTORS for heart disease and stroke—the nation's other top killers—include smoking, high blood pressure, high serum cholesterol, diabetes, overweight and physical inactivity.

Some factors can be manipulated to help prevent illness and promote good health. The report points out that "some kinds of preventive actions, such as stopping smoking, can be taken only by the individual at risk. . . . Still others, such as the control of toxic agents in the environment, demand the involvement of many sectors of society—private and government."

The direct and indirect costs of certain lifestyle and environmental hazards include about $15.4 billion for alcohol abuse; $27.3 billion for cigarette smoking; $20.7 billion for work-related deaths and injuries, and $4.3 billion for air pollution.

The report estimates that "if preventive actions were successful in cutting direct and indirect cost expenditures by only 10 percent, reductions would still equal billions of dollars."



THE RESOLVE to form a union at Perdue chicken plants has been firmed up by dangerous working conditions and assaults on workers' rights, Jerry Gordon, center, assistant director of Food & Commercial Workers Region 4, declared on Labor News Conference. He was questioned by Martha Hamilton of the Washington Post and Patrick Gilbert of the Baltimore Evening Sun. The AFL-CIO produced public affairs interview is aired weekly on the Mutual network.



NEW HARDSHIPS for the nation's lowest-paid workers are sure to flow from a scheme to set a cut-rate minimum wage for teenagers, AFL-CIO Research Director Rudy Oswald, center, warned. He was questioned on Labor News Conference by Rachelle Patterson of the Boston Globe and Drew Von Bergen of United Press International. The AFL-CIO produced program is broadcast weekly on Mutual radio.

Subminimum Wage Proposal Called Misguided, Simplistic

A cut-rate minimum wage for teenagers is a simplistic idea that would not create more jobs but would mean hardships for the lowest-paid adult workers, AFL-CIO Research Director Rudy Oswald warned.

Oswald said that "transferring jobs from one person to another at a lower wage rate" would produce "bigger profits for employers," but would provide no incentive for them to put more people to work. He pointed out that while the jobless rate among teenagers is especially high, a far greater number of adults are on the unemployment rolls.

He warned that singling out 18- and 19-year-olds for exception from the basic floor under wages because their unemployment rate is high could open the door for similar exceptions for other groups with higher-than-average unemployment, such as women and elderly workers. Rates of pay, he asserted, should be based on the job that is done, not on age, sex, color or unemployment rates among particular groups.

IN AN APPEARANCE on Labor News Conference, Oswald noted that the law already provides for certification of full-time students to receive less than the minimum for all workers. Job-training and economic stimulus, he said, would be far more effective in cutting back unemployment, which is now at an historically high 7.5 percent.

Oswald pointed out that improvements in the minimum wage have lagged substantially behind the inflation rate, including the Jan. 1 increase to $3.35 an hour—an improvement of only 8.1 percent while inflation is running at 13 percent.

Garment Workers Win Damage Pay For 90 Strikers

Albany, N.Y.—Cotrell & Leonard, Inc., has signed a settlement with the Ladies' Garment Workers to pay $40,000 in damages to some 90 ILGWU members who had been striking the firm for more than a year.

The company, which has been manufacturing academic gowns and caps and religious robes for the past century, also agreed to remedy all labor law violations and unfair labor practices it was charged with.

In endorsing a national boycott of Cotrell & Leonard in August, the AFL-CIO Executive Council pointed out that the company had been cited by the National Labor Relations Board for more than 50 violations of federal labor law.

While welcoming the settlement as a victory for ILGWU Local 163, the union noted that Cotrell & Leonard had made arrangements to sell the firm to Beatrice Food Co., a Chicago-based conglomerate, for reasons unrelated to the dispute.

After the takeover, Beatrice took steps to close the Albany manufacturing facility despite community efforts providing for financial aid to keep the plant open.

The ILGWU local is now negotiating with the company to provide termination benefits for the displaced workers.

Dystrophy Association Elects Gannon, O'Neal

New York—Fire Fighters' President John A. Gannon was elected a corporate board member of the Muscular Dystrophy Association at the association's year-end board meeting here.

Frederick O'Neal, president of the Actors & Artistes and an AFL-CIO vice president, was named secretary of MDA.

Coordinated Effort Sought

Adult Education Report Stresses Worker Needs

By Susan Dunlop

Formal education is not just for children anymore; adults need it too, the National Panel on Worker Education & Training Policy stresses in a report. The changing character of the workplace and the evolving needs of workers are creating a growing interest in practical work-related schooling for adults, the panel agrees.

Labor, industry, government and the education community each have resources to contribute to improving the availability and quality of adult education, but this effort must be a cooperative one, the panel stresses.

ITS REPORT, "Adult Learning and the American Worker," is part of a 48-month project on worker education and training policies being conducted by the National Institute for Work & Learning with funds from the U.S. Dept. of Education.

Panel members included representatives of labor, business, education and government. AFL-CIO Community Services Director Walter G. Davis served on the panel along with Albert Shanker, president of the Teachers; J. C. Turner, president of the Operating Engineers; Douglas Fraser, President of the UAW; Jack Otero, vice president of the Railway & Airline Clerks, and Bayard Rustin, chairman of the board of the A. Philip Randolph Institute.

The panel's report concentrates on determining the need for formal adult education, examining its present structure and proposing some means of improving its future usefulness to working people.

WHILE EDUCATION is traditionally associated with youth, the panel said adults need various forms of continuing education for many reasons. As the work place undergoes change—because of technological developments, import displacement or the geographical migration of industry, for example—workers need new and different skills.

Changes in the economy, such as surging inflation of consumer prices, mean that older workers may want to prolong their working lives and need to be prepared to extend their careers or even change them. Social changes such as the influx of women into the workforce are also creating major needs for adult education and training, the panel's report notes.

The report points out that other adult workers have vital needs for education and training—people who were denied normal education as young people, the growing force of immigrant workers, handicapped workers, and workers from severely underprivileged backgrounds.

THE PANEL stresses that programs of adult education, or lifelong learning, must go beyond broad goals to include the specific information, skills and experiences related to work life and the functioning of the economy.

It notes that existing educational institutions and facilities already offer adults a wide variety of opportunities to learn. One important trend has been the growth of adult education opportunities in public schools, community colleges and vocational and technical schools. Off-campus learning centers, "open universities," degree equivalency and academic credit programs, and other projects have offered a variety of "non-traditional programs for non-traditional students," the report points out.

Many educational opportunities are also available through unions, employers, community-based organizations, the military, correspondence courses, home television instruction and agricultural extension services.

ALTHOUGH THESE sources are diverse, so are the needs of the working population, the panel observes, and it stresses the need to build on and improve existing, familiar resources.

It is important, the panel cautions, to watch the ways in which these institutions are meeting adult education needs to determine "the best fit between what people need and what they are being offered. Post-secondary education institutions often don't listen to what working people have to say about what they want to study."

Adults who had the least education when they were young tend to take least advantage of adult education, the panel concluded, and it called for steps to insure that these individuals are not barred from continuing education in the future.

THE PANEL also warns that the rush to serve adults, fed by the drop in enrollments of young people, should not lead to a decline in standards or quality in adult education.

Among the panel's major conclusions is the importance of "forging links" between labor, business and the education community to accomplish educational goals.

It suggests that one area in which such cooperation can be useful is in the expansion of tuition aid programs. Tuition aid is widely and increasingly available, the panel points out, citing as an example the estimated 200 collective bargaining agreements covering about 2 million workers that provide for tuition aid programs in cooperation with management.

PARTICIPATION in such programs remains low, however, and the panel says cooperation among unions, employers and educators can help feed information on such programs to workers, get barriers to participation removed and see to it that the right kinds of courses are offered by the schools.

This kind of cooperation is essential both to give labor and industry a better understanding of the capabilities of learning institutions and to give educators a realistic appraisal of the kind of education workers want and the skill training employers need in real work settings, the report concludes.

Labor Studies Center Lists Schedule for January

Three labor studies programs are being offered by the George Meany Center for Labor Studies, Silver Spring, Md., during January for officers and staff members of AFL-CIO unions. Three unions, the AFL-CIO Industrial Union Dept. and the American Institute for Free Labor Development will also use the campus during the month. The schedule:

Basic Skills for Union Leaders, Jan. 11-16—"How-to" classes on improving reading and comprehension, clearer writing, effective speaking and parliamentary procedures.

Advanced Arbitration, Jan. 11-16—An institute on the successful handling of cases involving management rights, discipline and discharge, seniority and contract interpretation.

Negotiating Techniques for Bargaining with State and Local Agencies, Jan. 18-23—A program on bargaining principles, proper preparation, budget analysis and audits.

Unions using the campus for their own leadership training during January are the Teachers, Jan. 5-9; Communications Workers, Jan. 4-23; Railway & Airline Clerks, Jan. 18-23.

The IUD will conduct a conference on national industrial policy, Jan. 9-10.

AIFLD will bring in 40 trade union leaders from Latin American countries Jan. 26 for six weeks of study.

Candidates for Bachelor of Arts degrees will come to the campus Jan. 25-30 for their semi-annual week in residence to prepare their courses of study for the next six months.

The center's staff will be involved in five off-campus programs during the month. An institute on current economic issues is scheduled Jan. 18-21 at the University of California, Berkeley. An AFL-CIO Pension Fund Investment Briefing is set for Atlanta, Jan. 26 and 27. Three training sessions for the Center's National Project on Transit Technology & Innovation are scheduled at Michigan State University, East Lansing, Jan. 4-9; University of California, Berkeley, Jan. 11-16, and the University of Alabama, Birmingham, Jan. 25-30.

Information on these and other labor studies programs can be obtained from Fred K. Hoehler, Jr., director, George Meany Center, 10000 New Hampshire Ave., Silver Spring, Md. 20903. Telephone 301/431-6400.

Key Senate Committees

All Senate committees deal with legislation affecting various groups of union members. The committees below are among those having the biggest impact on labor's legislative programs. New committee members are identified by asterisks.

Labor & Human Resources

Orrin G. Hatch (Utah), Chairman
Robert T. Stafford (Vt.)
Lowell P. Weicker Jr. (Conn.)*
Dan Quayle (Ind.)*
Paula Hawkins (Fla.)*
Don Nickles (Okla.)*
Gordon J. Humphrey (N.H.)
Jeremiah Denton (Ala.)*
John East (N.C.)*

Democrats

Edward M. Kennedy (Mass.)
Harrison A. Williams Jr. (N.J.)
Jennings Randolph (W.Va.)
Claiborne Pell (R.I.)
Thomas F. Eagleton (Mo.)
Donald W. Riegle Jr. (Mich.)
Howard M. Metzenbaum (Ohio)

Finance

Republicans

Robert Dole (Kan.), Chairman
Bob Packwood (Ore.)
William V. Roth Jr. (Del.)
John C. Danforth (Mo.)
John H. Chafee (R.I.)
John Heinz (Pa.)
Malcolm Wallop (Wyo.)
David Durenberger (Minn.)
William L. Armstrong (Colo.)*
Steven D. Symms (Idaho)*
Charles E. Grassley (Iowa)*

Democrats

Russell B. Long (La.)
Harry F. Byrd Jr. (Va.)
Lloyd Bentsen (Texas)
Spark M. Matsunaga (Hawaii)
Daniel Patrick Moynihan (N.Y.)
Max Baucus (Mont.)
David L. Boren (Okla.)
Bill Bradley (N.J.)
George J. Mitchell (Maine)*

Appropriations

Republicans

Mark O. Hatfield (Ore.), Chairman
Ted Stevens (Alaska)
Lowell P. Weicker Jr. (Conn.)
James A. McClure (Idaho)
Paul Laxalt (Nev.)
Jake Garn (Utah)
Harrison "Jack" Schmitt (N.M.)
Thad Cochran (Miss.)*
Mark Andrews (N.D.)*
James Abdnor (S.D.)*
Robert W. Kasten Jr. (Wis.)*
Alfonse M. D'Amato (N.Y.)*
Mack Mattingly (Ga.)*
Warren Rudman (N.H.)*
Arlen Specter (Pa.)*

Democrats

William Proxmire (Wis.)
John C. Stennis (Miss.)
Robert C. Byrd (W.Va.)
Daniel K. Inouye (Hawaii)
Ernest F. Hollings (S.C.)
Thomas F. Eagleton (Mo.)
Lawton Chiles (Fla.)
J. Bennett Johnston (La.)
Walter "Dee" Huddleston (Ky.)
Quentin N. Burdick (N.D.)
Patrick J. Leahy (Vt.)
Jim Sasser (Tenn.)
Dennis DeConcini (Ariz.)
Dale Bumpers (Ark.)

Budget

Republicans

Pete V. Domenici (N.M.), Chairman
William L. Armstrong (Colo.)
Nancy Landon Kassebaum (Kan.)
Rudy Boschwitz (Minn.)
Orrin G. Hatch (Utah)
John Tower (Texas)*
Mark Andrews (N.D.)*
Steven D. Symms (Idaho)*
Charles E. Grassley (Iowa)*
Robert W. Kasten Jr. (Wis.)*
Dan Quayle (Ind.)*
Slade Gorton (Wash.)*

Democrats

Ernest F. Hollings (S.C.)
Lawton Chiles (Fla.)
Joseph R. Biden Jr. (Del.)
J. Bennett Johnston (La.)
Jim Sasser (Tenn.)
Gary Hart (Colo.)
Howard W. Metzenbaum (Ohio)
Donald W. Riegle Jr. (Mich.)
Daniel Patrick Moynihan (N.Y.)
J. James Exon (Neb.)

Governmental Affairs

Republicans

William V. Roth Jr. (Del.), Chairman
Charles H. Percy (Ill.)
Ted Stevens (Alaska)
Charles McC. Mathias Jr. (Md.)
John C. Danforth (Mo.)
William S. Cohen (Maine)
David Durenberger (Minn.)
Mack Mattingly (Ga.)*
Warren Rudman (N.H.)*

Democrats

Thomas F. Eagleton (Mo.)
Henry M. Jackson (Wash.)
Lawton Chiles (Fla.)
Sam Nunn (Ga.)
John Glenn (Ohio)
Jim Sasser (Tenn.)
David Pryor (Ark.)
Carl Levin (Mich.)



A GROVE OF TREES planted in Israel with funds raised by the Washington Area Friends of Histadrut (WAFH) honors the memory of Christopher Marshall, who died last year from cancer. His parents, Labor Sec. and Mrs. Ray Marshall, accept a memorial plaque presented on behalf of WAFH by Jacob Clayman, president of the National Council of Senior Citizens. From left, WAFH Co-Chairperson Betty Miller, Marshall, Samuel S. Meer of the Jewish National Fund, Mrs. Marshall, Clayman and WAFH Co-Chairperson Harry Conn. Histadrut is adding to the 1,000-tree grove.

New Senate Lineups Reflect Tilt from Election Results

(Continued from Page 1)

crats. Despite the virtual collapse of the intricate budget-setting timetable last year, this remains potentially one of the most important committees. The new lineup is Pete V. Domenici (R-N.M.) as chairman and Ernest F. Hollings (D-S.C.), who succeeded Sec. of State Edmund Muskie as chairman last year, becoming ranking minority member.

COMMERCE, SCIENCE & TRANSPORTATION — From 10 Democrats, 7 Republicans to 9 Republicans, 8 Democrats. A relatively amicable swap at the top makes Bob Packwood (R-Ore.) the new chairman and drops Howard W. Cannon (D-Nev.) to ranking minority member. But committee membership changes are likely to make the body less responsive to consumer concerns.

ENERGY & NATURAL RESOURCES — From 11 Democrats, 7 Republicans to 11 Republicans, 9 Democrats. At the top, James A. McClure (R-Ida.) becomes chairman and Henry M. Jackson (D-Wash.) drops to ranking minority member. Western influence continues strong.

ENVIRONMENT & PUBLIC WORKS — From 8 Democrats, 6 Republicans to 9 Republicans, 7 Democrats. In a politically compatible switch, Robert T. Stafford (R-Vt.) moves up to chairman and Jennings Randolph (D-W.Va.) becomes ranking minority member.

FINANCE — From 12 Democrats, 8 Republicans to 11 Republicans, 9 Democrats. This important committee has been generally conservative even under Democratic control and will become even more so. Its new chairman is Robert Dole (R-Kan.), and Russell B. Long (D-La.) drops to ranking minority member.

FOREIGN RELATIONS — From 9 Democrats, 6 Republicans to 9 Republicans, 8 Democrats. Little change is anticipated as Charles H. Percy (R-Ill.) becomes chairman and Claiborne Pell (D-R.I.) takes the ranking minority spot.

GOVERNMENTAL AFFAIRS—From 9 Democrats, 8 Republicans to 9 Republicans, 8 Democrats. The Chairman will be William V. Roth (R-Del.), and Thomas F. Eagleton (D-Mo.) is the senior minority member. The changes are fewer than in most committees.

JUDICIARY — From 10 Democrats, 7 Republicans to 10 Republicans, 8 Democrats. A big switch here as Strom Thurmond (R-S.C.), with an 88 percent "wrong" COPE record, becomes chairman. Joseph R. Biden, Jr. (Del.), becomes ranking minority member with Edward M. Kennedy (D-Mass.) electing to shift his seniority to the Labor & Human Resources Committee. Three of the four new Republican members are strong conservatives.

LABOR & HUMAN RESOURCES — From 9 Democrats, 6 Republicans to 9 Republicans, 7 Democrats. The big change, obviously, is the switch from the COPE 93 percent "right" record of Democrat Harrison A. Williams, Jr. (N.J.) to the 7 percent "right" record of the new chairman, Orrin G. Hatch (R-Utah). Williams shifted his committee seniority to the Banking Committee and Kennedy becomes the ranking Democrat. Since all seven committee Democrats are liberals, Republican moderates Robert T. Stafford (Vt.) and Lowell P. Weicker, Jr. (Conn.) will determine the committee's direction.

Among the lesser ranked Senate committees, Rules & Administration will be headed by Charles McC. Mathias, Jr. (R-Md.), Veterans Affairs by Alan K. Simpson (R-Wyo.), Ethics by Malcolm Wallop (R-Wyo.), Indian Affairs by William S. Cohen (R-Me.), Intelligence by Barry Goldwater (R-Ariz.), Small Business by Lowell P. Weicker, Jr. (R-Conn.), and Aging by John Heinz (R-Pa.).

Prime Rate Fluctuations Cloud Economy

The outlook on interest rates remained murky in the face of continued strong business credit demand and surprising resilience in the overall economy.

While most major banks kept their prime lending rate at a record 21.5 percent, three of the nation's 20 largest banks lowered their prime rates to 20.5 percent. Whether the downward trend in this key lending rate continued was the subject of intense debate in money-market circles, however.

BUSINESS-LOAN demand jumped $1.5 billion to a record $170.35 billion in the week ended Dec. 17, the Federal Reserve Board announced. And new numbers from the Commerce Dept. reflected a rebounding economy during the third quarter of the year, albeit one with strong inflationary pressures.

In a revised report, the Commerce Dept. said the nation's real gross national product climbed at an annual rate of 2.4 percent in the third quarter, far above the rate of nine-tenths of 1 percent that had been previously reported. Real GNP is the total value—adjusted for inflation—of all the goods and services produced by the nation.

The July-September gain was attributed mainly to final sales, which rose at a 4.1 percent annual rate. The high level of final sales meant that goods were not piling up in warehouses, a sign of optimism since swollen inventories eventually lead to cutbacks in production.

THE DEPARTMENT'S chief economist, Courtenay M. Slater, reported, meanwhile, that preliminary estimates indicated a fourth-quarter gain in real GNP of just under 4 percent.

In other revised figures, Commerce said the sharp recessionary decline of the second quarter of 1980 was even worse than at first reported. Real GNP fell 9.9 percent in the April-June period, rather than 9.6 percent as previously estimated. Also, the government put the first-quarter gain last year at 3.1 percent instead of 1.2 percent.

In other economic reports:

- F. W. Dodge, a McGraw-Hill Inc. subsidiary, reported that the value of construction contracts awarded in November reached $13.3 billion, a gain of 13 percent from the year-earlier period. November's jump in construction activity was attributed, however, to a temporary decline in interest rates last summer. Over the first 11 months of the year, the value of new construction contracts was down 15 percent from the same period of 1979.

- Machine-tool orders rose slightly in November from October to $331.7 million, but lagged 23 percent behind a year earlier. High-interest rates are discouraging some smaller concerns from buying, the National Machine Tool Builders' Association said.

Rozanne Weissman Named To CWA Public Affairs Post

Rozanne Weissman will join the Communications Workers staff Jan. 16 as publice affairs director to succeed Lee M. White, who retired Sept. 30, CWA President Glenn E. Watts announced.

Weissman, media and community relations coordinator for the National Education Association, has been on the NEA staff for the past 13 years.

No Relief in Sight

Outlook Continues Bleak For Consumer Prices

(Continued from Page 1)

of the CPI are not expected to moderate in the next few months. If anything, many forecasters expect them to accelerate. Recent price increases by the Organization of Petroleum Exporting Countries (OPEC) have not yet shown up at the gasoline pump. Interest rate increases will continue to work their way into the index even after short-term rates begin to peak. And the outlook for beef and other food prices is expected to worsen over the first half of 1981. The Agriculture Dept. last week forecast that overall food prices would rise 10 to 15 percent in 1981.

MEANWHILE, workers' purchasing power continues to trail rising prices. Real spendable earnings, or take-home pay stripped of the impact of inflation increased a slight two-tenths of 1 percent in November. But on a year-to-year basis they were down 5.1 percent. A typical nonfarm worker in private industry who had three dependents grossed $243.57 in current dollars in November. In constant, 1967 dollars, however, this was the equivalent of just $94.92—a drop of $4.11 over the past 12 months.

November's increase in the CPI—the third consecutive monthly rise of 1 percent—made it certain that when the December figure is announced the index will have climbed at a rate of more than 10 percent for the second straight year. The CPI rose 13.3 percent in 1979.

Food and beverage prices rose 1.1 percent in November, after climbing nine-tenths of 1 percent in October. Prices for eggs, beef, pork, fish and other seafood all moved substantially higher, BLS said. Poultry prices decreased by 2 percent after rising for four months.

"The 1.5 percent increase in other foods at home was largely due to a 7.8 percent increase in sugar and artificial sweeteners and higher prices for soft drinks," BLS said. Prices for fresh fruits and vegetables rose eight-tenths of 1 percent, following a 3 percent decline in October.

RISING SHELTER costs accounted for most of the 1 percent jump in the housing component of the CPI, reflecting the renewed surge in mortgage interest rates, which are more than 15 percent in some localities.

Transportation costs were up 1.5 percent over the month, following a rise of seven-tenths of 1 percent in October. Used car prices soared by 5.1 percent, the third consecutive large monthly increase in this category. New car prices increased five-tenths of 1 percent.

After relatively modest increases in some recent months, the energy price picture for November was mixed. Gasoline prices increased eight-tenths of 1 percent while natural gas and electricity charges fell 2 percent. But household fuel oil prices jumped 1.5 percent.

BLS REPORTED that the average nationwide price of a gallon of regular, leaded gasoline was $1.188, unchanged from October. For unleaded gasoline, the average November price was $1.25.

Apparel prices rose a slight one-tenth of 1 percent in November. Medical care costs increased seven-tenths of 1 percent.

Reagan's Cabinet Nears Completion

(Continued from Page 1)

partners include noted labor relations mediator Theodore W. Kheel, served in the Labor Dept. during the Eisenhower Administration and as general counsel to the Treasury Dept. during the Nixon Administration. He was both a Phi Beta Kappa in his junior year and a star football halfback at Cornell University.

Ambassador to the United Nations: Jeane J. Kirkpatrick, political science professor at Georgetown University and resident scholar at the American Enterprise Institute. She describes herself as "very much of a Democrat" but was an influential foreign policy adviser to Reagan during the campaign. The post is not officially a part of the Cabinet, but like the trade post was so designated by President Carter and will continue to hold Cabinet status in the Reagan Administration.

Steelworkers Gain Refund Of Dues to Company Union

Newport News, Va.—Steelworkers employed at the Newport News Shipbuilding & Dry Dock Co. have won reimbursement of dues the firm continued to deduct from their pay on behalf of a company union after the employees had revoked their dues-checkoff authorizations.

The award by the National Labor Relations Board is another in a series of legal findings emanating from the Steelworkers' Jan. 31, 1978, representation victory over the Peninsula Shipbuilding Association, the company union.

IT TOOK the USWA more than two years to overcome legal maneuverings by the company and win representation rights as the exclusive bargaining agent for the shipyard's 16,000 production and maintenance workers.

Last July, NLRB Administrative Law Judge Joel A. Harmatz ordered the shipyard and PSA to reimburse any workers from whose wages union dues were improperly deducted and turned over to the company union. This remedy was upheld by the board in its ruling. The NLRB estimated that about 215 workers were owed approximately $88 each, or a total of about $20,000.

Immediately following the representation election, a number of PSA members who had authorized the shipyard to deduct dues from their wages and remit them to the company union informed the management that they wished to revoke their checkoff authorizations.

PSA refused to honor the requests, however, saying that revocation of such authorization could be effected only on forms furnished by the company union.

PSA THREATENED the company with a suit for breach of contract if it honored the revocation requests. The company complied with PSA's position and continued to deduct the dues. The Steelworkers, which had helped the workers draft the checkoff revocation forms they used, subsequently filed unfair labor practice charges against both the shipyard and PSA.

The NLRB judge found that the company and the PSA were guilty of federal labor law violations in their actions restricting employees from exercising their right to revoke the dues checkoff.

1/3/81

Correspondence about address corrections should be sent with attached mailing label to: Subscriptions, Room 209, 815 16th Street, N.W., Washington, D.C. 20006.



LITERARY WORKSHOP was one of the events at a conference in New York on the arts and humanities sponsored by District 1199, the hospital and health care affiliate of the Retail, Wholesale & Department Store Union. Shown here are 1199 Vice President Vivian Giola, writer and critic Alden Whitman, and E. L. Doctorow, the author of Ragtime, Loon Lake and other novels.

Soccer Players Win Accord Setting Pay Floor, Benefits

Player representatives of the North American Soccer League Players Association have approved a memorandum of agreement with team owners providing for minimum salaries, fringe benefits, and work rules.

Ed Garvey, who headed the union negotiators, said the parties now "must develop actual contract language before the memorandum will become a collective bargaining agreement, but an arbitrator will resolve any differences."

GARVEY ADDED that "management and the union are now governed by the memorandum," thus ending a three-year effort by the union to obtain an agreement.

About 500 players on the NASL's 24 teams are covered by the accord. Player representatives voted 20 to 1 to accept the agreement, which the owners previously had approved. A vote on the memorandum by dues-paying members of the NASLPA is now in progress.

The NASLPA is a branch of the Federation of Professional Athletes chartered by the AFL-CIO in 1979.

Highlights of the agreement include:

- Minimum salaries of $18,000 for rookies, $19,200 for second-year players and $22,800 for third-year players.
- A guarantee of at least the minimum salary once a player has made the team. Players cut during the season will still collect the minimum pay for the remainder of the year.
- An injured player will receive the minimum salary through the following year. If the injury ends his career, the player will receive an additional $25,000.
- All disputes, except those involving on-field conduct, will be resolved by an impartial arbitrator.
- Player fines will be limited to 2 percent of the monthly wage and all fine money will go to a "career counseling and continuing education" fund to which the NASL club owners will contribute an additional $42,000.
- All clubs will provide a program of health, accident, and life insurance under a jointly administered insurance trust. There will also be a post-career insurance plan.
- Players will have free choice of playing indoors or not.

In addition, foreign players now in the United States on work permits will be protected, but there is a commitment by the two sides to develop a reserve league of American players and to increase their number on the field. In 1982 and 1983, no fewer than four North American players must be on the field. This compares with two under the present arrangement.

NASL Commissioner Phil Woosnam said the agreement will end the league's immediate immigration problems and issues related to the indoor season, "and we can now proceed to develop a good working relationship between labor and management."

THE SIX CANADIAN clubs in the league will sign the agreement with the union separately and will honor its provisions in all respects, Garvey said.

The settlement caps a long struggle by the union to bring the players under a collective bargaining agreement. The NASLPA began its campaign three years ago and won representation rights for U.S. teams by a wide margin, but the owners refused to bargain. The National Labor Relations Board ordered the clubs to negotiate over a year ago, and a court ruling backed up the agency. Talks began last fall at the end of the soccer season.

Reluctant Bid to Strikers Swells Firm's Dinner Tab

Abingdon, Va.—Dinner for two. On the house. Westinghouse, that is.

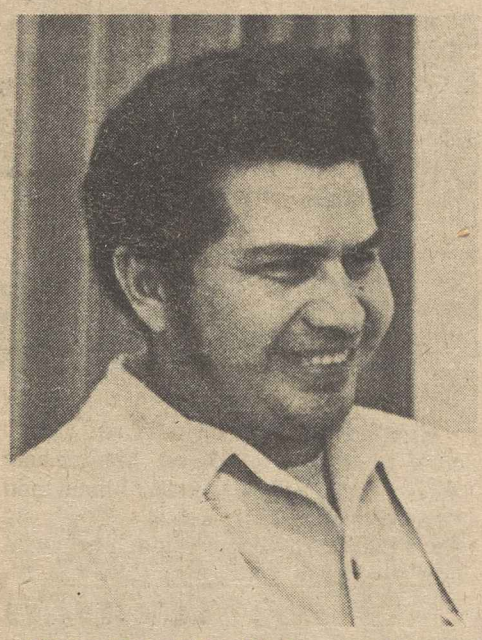
That's what some 250 workers at the Westinghouse facility here have won as a result of unfair labor practice charges filed by their union, the Electrical, Radio & Machine Workers.

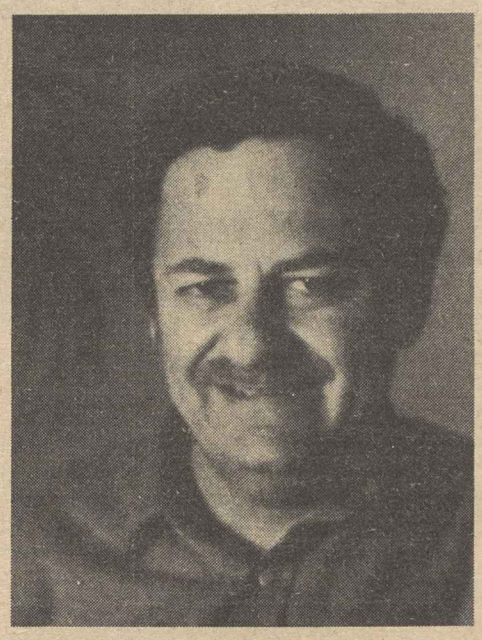
The IUE went to the National Labor Relations Board after the company sent thank-you notes—along with tickets for dinner at a local steak house—to about 50 non-strikers who worked through the union's seven-week walkout at the Westinghouse plant last year.

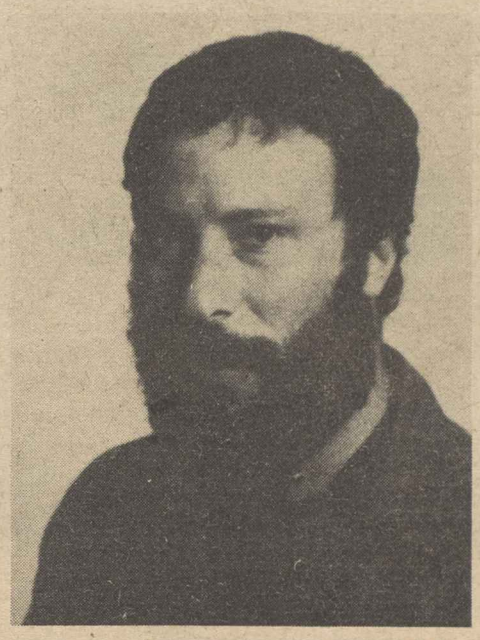
Since the strikers did not receive dinner tickets, IUE charged the firm with discrimination on the basis of their union activity, and won. The settlement, part of an NLRB order backed up by an appellate court, requires the company to send $20 checks to each of the 250 striking employees to remedy the "oversight."

Next time, maybe, Westinghouse will remember to invite everyone to dinner.

Labor Affirms Continuing Aid For El Salvador's Land Reform







SHOT TO DEATH while working to bring about a sweeping redistribution of land in El Salvador were Jose Rodolfo Viera, left, a union leader and head of the country's Institute for Agrarian Transformation, and two representatives of the AFL-CIO's American Institute for Free Labor Development, Michael P. Hammer, center, and Mark D. Pearlman.

Murders Stir Wide Outcry, New Support

By James M. Shevis

The AFL-CIO will continue to provide technical aid to El Salvadoran unions seeking to better the lot of peasant-farmers through a massive land-redistribution program "so long as they need and desire our help," Federation President Lane Kirkland pledged in the wake of the assassination of two American union advisers and the El Salvadoran union leader who headed the agrarian reform project.

"We call upon the U.S. government to reiterate its support for the land-reform program for which our brave friends gave their lives, and the success of which would be their best memorial," Kirkland said.

THE VICTIMS were Michael P. Hammer, 42, of Potomac, Md., Mark D. Pearlman, 36, of Seattle—both representatives of the AFL-CIO's American Institute for Free Labor Development—and Jose Rodolfo Viera, 43, the director of the El Salvadoran government's Institute for Agrarian Transformation. They died in a hail of bullets in a hotel in San Salvador, El Salvador's capital city.

"These good men were in El Salvador to assist that nation's peasant unions to participate in a land-reform program designed to improve the lives of hundreds of thousands of small farmers, and to lay the foundation for a stable, democratic society," Kirkland observed.

He said the AFL-CIO was "outraged and saddened" by the killing of Hammer and Pearlman by terrorists, and equally grieved by the assassination of Viera, "our brother and friend," who also directed the Salvadoran Communal Union, a peasant-farmer group organized with AIFLD's help in 1966.

"THE AFL-CIO calls upon the government of El Salvador to bring those responsible for these brutal murders to justice, and redouble its efforts to bring about agrarian reform for the benefit of El Salvador's impoverished workers," Kirkland said. "Clear title must be granted to the 210,000 poor farmers who have been promised land.

"The forces of extremism, the totalitarian right and left, must not be permitted to destroy the prospects for democratic reform, upon which depend the hopes of farmers and workers for a more peaceful and prosperous life."

The assassinations, which followed with-

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Two Labor Board Seats Set for Reagan Choices

President-elect Ronald Reagan will have an opportunity to appoint two new members of the National Labor Relations Board shortly after he assumes office this month.

That prospect developed with John A. Penello's announcement that he plans to resign from the NLRB, effective Jan. 14, seven months before his term would expire. Besides a successor to Penello, Reagan will be able to name a replacement for John C. Truesdale, whose recess appointment by President Carter last summer is good through the first session of the new Congress unless a replacement is chosen sooner.

REAGAN MAY ALSO choose to designate a new chairman of the board since the current chairman, John H. Fanning, is a Democrat. Howard Jenkins, Jr., now the lone Republican on the board, could be named chairman or Reagan could designate one of the two new members he is expected to name to that position. Don A. Zimmerman, a member since last August, is a registered independent. Both Penello and Truesdale are registered Democrats, but Penello has often dissented from board decisions that supported union positions.

While the political makeup of the board is not statutorily dictated, tradition has resulted in a split panel generally reflecting the party of the incumbent President.

In his resignation announcement, Penello said he had submitted a brief letter to President Carter and a longer one to Reagan giving his reasons for leaving at this time. Penello, 71, an NLRB member since 1972 and a career employee since 1937, wrote Reagan that pay levels for top government officials are unfair.

"EXECUTIVE LEVEL salaries have been essentially frozen for active government officials, while retired government officials have been receiving full cost-of-living increases twice a year," Penello observed.

"I have already stayed on active service more than a year beyond the point at which retirement would have been most financially advantageous to me, and I have sacrificed several cost-of-living increases as a result."

Penello added that he would have had to forgo another cost-of-living increase if he did not retire by Jan. 16. He said that he had stayed on this long and "made the sacrifice because I felt that the President (Carter) would most likely choose as my successor someone whose views were philosophically incompatible with mine."

Penello's NLRB service spans more than 43 years. He joined the agency in 1937 as a field examiner in the agency's Baltimore regional office, then served as regional director in its St. Louis, Minneapolis, and Baltimore offices. He also held the post of associate general counsel in charge of field operations.

Budget, Taxes Key Issues in 97th Congress

The 97th Congress moved through its opening ceremonies according to a time-honored script, but put off consideration of any substantive legislation until after Jan. 20, when President-elect Ronald Reagan will take office.

For the first time since the final days of the Hoover Administration, political control of Congress will be split. Republicans captured 53-47 control of the Senate in the November elections, while Democrats held control of the House with a reduced 243-192 majority.

IN BOTH BODIES, conservatives made big gains, and the extent of the tilt to the right is likely to be measured early in the session when Congress faces big battles over budget priorities and tax changes.

President Carter will submit to Congress on Jan. 15—just five days before he leaves office—a proposed budget for the fiscal year that starts Oct. 1, 1981. By all accounts, it will be a tight bare-bones budget. The incoming Administration is expected to propose still further cuts.

A first skirmish came on the opening day of Congress, when House Republicans sought, through an amendment to the rules, to limit federal outlays to percentage of the estimated gross national product for that year—starting at 22.5 percent for

(Continued on Page 8)

Senate Begins Hearings on Cabinet

By David L. Perlman

The start of Senate confirmation hearings on President-elect Ronald Reagan's Cabinet choices gave the nation its first authentic glimpse of the Administration that will run the government for the next four years.

Reagan completed his Cabinet selections with the appointment of Terrell Bell as Secretary of Education. Bell is state commissioner of education in Utah and was strongly recommended by Sen. Orrin G. Hatch (R-Utah), chairman of the Senate Labor & Human Resources Committee, which will hold hearings on the nomination. Bell was head of the Office of Education in the Ford Administration, when it was under the Dept. of Health, Education & Welfare.

ONLY A FEW of the Cabinet confirmation hearings had been completed when the AFL-CIO News went to press, but they pointed up some of the conflict between campaign rhetoric and economic realities.

Thus, Treasury Sec.-designate Donald T. Regan echoed the Republican contention that federal spending is the chief cause of inflation and tax cuts for business the chief tool of economic recovery.

But he conceded that the new Administration's programs are not likely to quickly turn the economy around.

The best he could anticipate—"if everything goes well"—is a balanced budget in the fourth year of the Administration.

Regan, who headed the big Merrill Lynch chain of stockbrokers, said he considered business failures "just part of capitalism" but didn't rule out further assistance to the Chrysler Corp. The auto and housing industries are "underpinnings" of the economy, he said.

Likewise, Defense Sec.-designate Caspar W. Weinberger agreed with the need to upgrade the nation's military strength, but balked at conservative suggestions for a firm commitment to a 5 percent annual increase in "real" spending for defense, after allowing for inflation. "I don't believe in these fixed percentages," he testified.

FORMER PENNSYLVANIA Sen. Richard S. Schweiker, chosen to head the Dept. of Health & Human Services, warned that a later retirement age or a holddown on benefits may be necessary to keep the social security system solvent.

He voiced opposition to using general tax revenue to supplement the payroll tax financing of the old age, disability and survivor insurance program.

Schweiker said he couldn't support a national health insurance program that would go beyond "catastrophic" and "fill-the-gaps" coverage. Anything more comprehensive "just wouldn't fit" the Administration's position, he said.

(Continued on Page 2)

Court Upholds NLRB Ruling On Stevens

Richmond, Va.—A federal appellate court declared that J. P. Stevens & Co. "cannot avoid the shadow of its past" and upheld an order by the National Labor Relations Board that included a nationwide remedy for unfair labor practices at its Rocky Mount, Va., plants during a union organizing campaign in 1976.

Since the NLRB ruling, Stevens has reached agreement with the Clothing & Textile Workers (ACTWU) on a contract covering plants already organized by the union and those where workers subsequently vote for union representation.

ACTWU TERMED the agreement a "turning point" in its relations with the Stevens chain, which it had battled for nearly two decades.

The 4th Circuit Court of Appeals, however, rejected the textile chain's contention that its past opposition to unionization should not be a factor in the Rocky Mount unfair labor practices case.

The court said the Stevens chain's "heritage of intrasigence" justified remedies that included the reading and posting of notices at all its plants, union access to bulletin broads and the right of union representatives to speak to workers on company time after an election had been scheduled. The remedies, for a two-year period, were in addition to the specific actions required at Rocky Mount.

The appellate court said that the Stevens management can avoid being judged on its past record through "affirmative steps" demonstrating its change of policy "or a sustained period of time without serious violations."



A TRUE STORY is behind "Nine to Five," a new comedy film about the plight of office clerical workers. Service Employees Local 925 in Boston grew out of an organization called "9 to 5" one of the earliest unions born of the women's movement. In a scene from the movie, stars Dolly Parton, Lily Tomlin and Jane Fonda commiserate over unfair treatment at the office.

Labor Backs Medicare Ban On Funds for Union-Busting

AFL-CIO President Lane Kirkland has urged the Health Care Financing Administration to continue to prohibit the use of Medicare funds to finance union-busting programs of hospitals and nursing homes.

The agency, part of the Dept. of Health & Human Services, had invited public comments on its policy regarding expenses related to union activities in determining Medicare reimbursements.

CURRENT POLICY bars reimbursement for costs incurred to influence health care employees for or against union representation, but allows as a normal business expense the cost of negotiating with a union chosen by employees.

A number of hospitals, like other employers, have hired management consultants and have mounted major campaigns to thwart union organizing campaigns. Unions that have been targets of such campaigns have charged that hospitals sometimes get federal funds to subsidize union-busting despite the government's policy.

The existing policy certainly should not be weakened, Kirkland insisted. He noted that Congress in 1974 affirmed the right of health care workers to union organization by eliminating the previous exemption of non-profit hospitals from the National Labor Relations Act.

KIRKLAND POINTED out that the government's policy does not prohibit health care institutions from trying to prevent union organization by legal means.

A provider of health care, as an employer, "is free to oppose employee organization within the limits set by the national labor laws," Kirkland said. But no employer has the right to use federal subsidies for such a purpose, he stressed, just as a union seeking to organize the workers has no right to federal funding of its organizing campaign.

By contrast, Kirkland noted, legitimate collective bargaining expenses are valid costs since federal law requires an employer to negotiate in good faith with a union chosen by a majority of workers.

Radio Union Merges With Deck Officers

New York—Members of the American Radio Association have voted overwhelmingly to approve a "consolidation agreement" that joined their union to the Masters, Mates & Pilots, the 100-year-old organization of licensed deck officers. The MM&P, in turn, is an affiliate of the International Longshoremen's Association.

News of the ratification vote, fittingly, was transmitted to all U.S. merchant ships at sea through the ARA Free Press, the weekly radio news report the union provides for its members and "all our shipmates."

THE JAN. 5 transmittal carried a welcome from the president of the expanded Masters-Mates union, Capt. Robert J. Lowen, and a report on the merger by ARA President William R. Steinberg, who now also is a vice president of the MM&P.

In a mail referendum of the more than 500 ARA members, 93 percent approved the consolidation agreement. The pact had already been approved by the MM&P, in a vote taken at the union's convention last July.

Steinberg will represent the new Communications & Electronics Group on the MM&P executive board and the ARA group will continue to negotiate and administer its own contracts.

His report to ARA members at sea stressed that "we shall continue to do all things that we formerly did. . . . The big difference is that we now do all these things as ARA-MM&P, part of a larger, united organization."

The MM&P executive board meeting that welcomed the ARA also formally installed union officers elected and re-elected in a mail referendum conducted by the American Arbitration Association.

LOWEN, WHO WAS elected president of the MM&P in 1978 after having served as secretary-treasurer, won re-election by a 3-1 margin over Charles A. Hemming. Others on his slate also won by big margins or were unopposed.

Allen C. Scott was re-elected executive vice president and Lloyd M. Martin was unopposed for secretary-treasurer.

Five vice presidents were re-elected and Francis Elwood Kyser, former union agent in the Port of Mobile, Ala., was elected vice president for Gulf Ports to succeed Richard M. Casselberry, who retired.

Senate Hearings Continue On Reagan Cabinet Picks

(Continued from Page 1)

Reagan's choice for Secretary of the Interior, James G. Watt, has thus far proved the most controversial of the Cabinet choices.

WATT HAD headed the Moutain States Legal Foundation that was largely financed by Joseph Coors, the right-wing Colorado brewer, to counter the efforts of conservation groups. Former Wisconsin Sen. Gaylord Nelson testified on behalf of the Wilderness Society in opposition to Watt.

At the Senate hearings, Watt defended his record and said he favored "a balance between the development and protection of our natural resources."

Agriculture Sec.-designate John R. Block said he favored maximum export of agricultural products, even if it boosted consumer prices at home, and opposed food embargoes except as "a last resort." He said he thought the food stamp program could be cut but didn't have any "specific plans" on how it could be done.

TRANSPORTATION Sec.-designate Andrew Lindsay Lewis, Jr., said the decision on further aid for the nation's ailing automobile industry will be made by Reagan. But he doesn't think the President-elect would "just stand by and watch something go belly up if there was something he could do about it."

Lewis said he personally favors the 55-mile-an-hour speed limit but thinks the decision on whether to retain it should be left to the states.

Commerce Sec.-designate Malcolm Baldrige said he saw his role in the Reagan Cabinet as "aggressively" representing the views of businessmen.

HE FAVORS "top to bottom" deregulation of business. Consumers should have protections, but it would be "inflationary" to live in a "no-risk society," he testified.

He told the Senate committee that his 30 years of leadership of a multinational corporation gave him the background to be "a good Secretary of Commerce."

Confirmation hearings were scheduled or being held for the other Reagan Cabinet selections. The Senate Labor & Human Resources Committee scheduled hearings on Labor Sec.-designate Raymond J. Donovan for Jan. 12. Donovan, meanwhile, visited the AFL-CIO building for a get-acquainted meeting with AFL-CIO President Lane Kirkland.

REAGAN WAS expected to continue the post of special trade representative as a Cabinet-level office and then turn to the appointment of the key sub-Cabinet officials—the deputies, assistant secretaries and agency heads who will in effect "run the government" for the next four years.

The key White House appointments that in all recent administrations have been at least as important as Cabinet selections do not require Senate confirmation. Most of the top staff positions have now been filled, but in some cases the division of duties has only been broadly indicated.

Allan L. Swim Dies at 69, Publicity Director for CIO

Daytona Beach, Fla.—Allan L. Swim, publicity director of the CIO during the 1940s and a retired Foreign Service officer, died of cancer Jan. 1 at Halifax Hospital here.

Swim, who was 69, had been a member of the Newspaper Guild since 1937 and served as president of the Memphis, Tenn., local. He was publicity director of the CIO from 1946 until beginning his government career in 1951. Swim was chief of publications for the old U.S. Information Agency from 1964 to 1969. He retired from government service in 1970.

Irving Abramson Dies at 75, Labor Activist for 4 Decades

Essex Fells, N.J.—Irving Abramson, who served a number of AFL-CIO unions as an organizer, legal counsel and consultant over four decades dating back to the 1930s, died of leukemia Jan. 6 at his home here. He was 75.

Abramson also had been president of the New Jersey CIO in the early 1940s and played a key role in the merger of the Clothing Workers and Textile Workers in 1976 to form ACTWU. He also was on the legal team that won the long court battle for Darlington mill workers against Milliken Corp.

IN A MESSAGE to his wife Miriam, AFL-CIO President Lane Kirkland said Abramson's life and work "were a blessing to all of the working men and women whose rights he defended with skill and wisdom in a thousand courtroom battles."

Kirkland said Abramson was admired and respected by his friends at the AFL-CIO and that "countless others who never knew his name are better off because he lived."

After graduating from St. John's School of Law in New York, Abramson began his trade union career with the CIO's Textile Workers Organizing Committee in the mid-1930s. He later was with the Clothing Workers, TWUA, Insurance Workers, Jewelry Workers and the Retail, Wholesale & Dept. Store Union.

ABRAMSON SERVED as legal counsel for the New York-New Jersey district of the Electrical, Radio & Machine Workers in the 1950s. He was appointed general counsel of the IUE in 1965, serving until his retirement in 1971. During that period, he also was an adviser to the 13-union AFL-CIO Coordinated Bargaining Committee for General Electric and Westinghouse workers.

In addition to his wife, he is survived by two children and five grandchildren. Services were held Jan. 8 at Temple Sholom in Cedar Grove, N.J.

Nurses at 2 Hospitals Choose District 1199

New York—Registered nurses at two hospitals here have voted in separate elections for representation by District 1199, the hospital and health care division of the Retail, Wholesale & Dept. Store Union.

Over 580 nurses will be represented at Lenox Hill Hospital where the vote for the union was 243 to 223. The union won by a margin of 47-31 at Manhattan Eye, Ear & Throat Hospital where 89 nurses will be in the bargaining unit. The union already represents service and maintenance employees at both facilities.

Major issues in both campaigns were understaffing, forced overtime, lack of grievance procedures, and the need for greater recognition of nurses' professional skills.

Kirkland Mourns Victims, Pledges Aid

Assassination of Unionists Stirs Widespread Outrage

(Continued from Page 1)

in weeks the slaying of Felipe Zaldivar, president of the major democratic urban labor center, "are further proof of the determination of the extremists to destroy democratic institutions," Kirkland declared.

Zaldivar headed the Federacion de Sindicatos de la Industria de la Construccion, Similares, Transporte y de Otras Actividades. He was gunned down in front of the organization's headquarters building in San Salvador just as he was about to embark on a visit to the United States.

In a letter to Kirkland, President Carter said that the land-reform work of Hammer, Pearlman, and Viera "has not only served the cause of social justice; it has also been an effective instrument to counter the radical Marxism that would replace an old tyranny with a new one.

"In their memory, we must all rededicate ourselves to put an end to the senseless terrorism of both right and left, and to implement the agrarian reform."

Carter added that the sacrificial effort of Hammer and Pearlman in behalf of the El Salvadoran reform project was "a tribute to the courage and idealism of the AFL-CIO and of the free labor movement in this hemisphere."

AIFLD EXECUTIVE Director William C. Doherty, Jr., said he believed that Hammer and Pearlman were the first American trade unionists killed in Latin America—possibly in the world—while carrying out their official duties overseas.

Their assassination came as "a complete and total shock," he said, adding: "We don't know who did the killing. It could have been people either from the extreme right or extreme left. Both have killed many thousands of people down there."

The slayings occurred a month after the U.S. government officially protested the murder of four American missionaries in El Salvador and temporarily withheld financial aid from that country, a Central American republic about the size of Massachusetts. The missionaries—three Roman Catholic nuns and a lay worker—were found shot to death southeast of the capital. Another American, a private security adviser to the El Salvadoran police, was killed on Dec. 17.

PRESSURE FROM poor farm workers and sharecroppers for land ownership has been a major source of political violence in El Salvador during the past year. The agrarian reform program, under which large plantations have been expropriated, with compensation, by the government and turned over to peasant-farmers, has been under attack from both left-wing, communist-inspired guerrilla forces intent on destabilizing the country and a relatively small number of large landholders who want to hang on to the status quo. More than 9,000 people died last year in the most ferocious campaign of violence El Salvador has seen in a half-century.

The U.S.-backed junta, a coalition of civilian and military leaders that came into power in October 1979, has pledged a full investigation into the killings of Hammer, Pearlman, and Viera, but El Salvadoran police say they have no leads. President Jose Napoleon Duarte, the head of the junta, said, however, that "in my opinion, it was almost certainly an action by the extreme right."

JULIO ALFREDO Samayoa, El Salvador's minister of labor and social security, condemned the killing of the three men, saying they were "executed by extremists who oppose the process of agrarian transformation, which is being put into effect for the benefit of hundreds of thousands of campesinos (peasant-farmers)."

Others also condemned the murders, including free trade union leaders around the world. Otto Kersten of the International Confederation of Free Trade Unions in Brussels said in a wire to Kirkland that the ICFTU "learned with horror and indignation of the vile assassination of your representatives in El Salvador." Nicholas Redondo and Manuel Simon, general secretary and international affairs secretary, respectively, of Spain's Union General de Trabajadores, also expressed aversion over the deaths, and extended sympathies.

Hammer had been with AIFLD for 17 years. Jesse A. Friedman, assistant director of AIFLD, knew the Paris-born agricultural adviser throughout his long and varied career with the institute, one of three arms through which the AFL-CIO maintains an active and extensive trade-union foreign service.

Friedman said that Hammer started work at AIFLD on a part-time basis while a student at Georgetown University's School of Foreign Service in Washington. He received a degree there in 1964, and later studied in Switzerland. He spoke five languages fluently.

HAMMER SERVED with AIFLD in Honduras, Colombia, Venezuela, Ecuador, Brazil, and elsewhere in Latin America as well as in El Salvador. AIFLD holds contracts with the U.S. Agency for International Development (AID), assisting trade unions in Central and South America and in the Caribbean area. Hammer was in El Salvador to help the ruling junta carry out the land-reform program, which it decreed last March.



ASSASSINATED AGRARIAN CHIEF Jose Rodolfo Viera of El Salvador is shown as he conferred with AFL-CIO Sec.-Treas. Thomas R. Donahue during his visit to federation headquarters following last November's U.S. elections. Viera, who was also president of the Salvadoran Communal Union, directed the massive land-reform program aimed at stabilizing El Salvador by transferring thousands of acres of farmland to the country's restive poor.

About two years ago, Hammer was put in charge of AIFLD's Agrarian Union Development Service in Washington. The agency provides technical assistance in establishing credit cooperatives for peasant-farmers, organizing peasant unions, advising workers on their legal rights, and on obtaining credit for the purchase of seed and harvesting equipment.

Hammer had arrived in El Salvador on the morning of the day on which he and his companions were gunned down by two unidentified men at San Salvador's Sheraton Hotel, where AID has an office.

He is survived by his wife, Magdalena; a 17-year-old son, Michael Jr.; his father, Edward Hammer of Switzerland; his mother, Lilly Gunther, who lives in New Jersey, and a brother, Frank, in Michigan.

Pearlman joined AIFLD last May as a part-time consultant, and went immediately to El Salvador to work on new regulations for implementing the government's land-redistribution program. He became a full-time staff member on Sept. 1.

A graduate of the University of Washington Law School, he had spent three years as president of the Navarro Ranch Association in California, facilitating the subdivision and development of the 2,000-acre ranch into parcels averaging 40 acres, before he went to El Salvador. His career also included a two-year stint in the Philippines as a Peace Corps volunteer specializing in agricultural extension work.

He is survived by his mother, Mary Pearlman, and a sister, Ann Morton, both of Seattle.

Viera, the target of at least four previous assassination attempts, visited Washington in mid-November, briefing members of President-elect Ronald Reagan's transition team, AFL-CIO Sec.-Treas. Thomas R. Donahue, and AIFLD officials on El Salvador's deepening political crisis and expressing his concern over the implementation of the agrarian reform plan.

Friedman said that Richard Oulahan, AIFLD's country program director in El Salvador, quite possibly escaped assassination by returning to the capital several hours late from a trip to nearby Honduras, missing the dinner that he was to have attended with his colleagues. Viera and Hammer died almost instantly. Pearlman died on the way to a hospital.

Pearlman's body was flown to Seattle for burial Jan. 8. Hammer was buried Jan. 9 at Arlington National Cemetery, just outside Washington in neighboring Virginia. An open memorial mass for Hammer is scheduled at Georgetown University's Dahlgren Chapel on Jan. 16 at 11 a.m. Msgr. George C. Higgins will deliver the eulogy.

El Salvador's Land Reform Cultivated Hope

El Salvador's "Land to the Tiller" agrarian reform program in which Michael Hammer, Mark Pearlman, and Jose Rodolfo Viera were so inextricably caught up and sacrificed their lives, offered that country's peasant-farmers more than just a slice of land to call their own.

The land-reform program held out a golden opportunity for the country's mostly poor inhabitants to latch onto freedom and a more prosperous life. Even more, the U.S.-backed program — the biggest non-communist land reform in Latin American history — was seen as a model for achieving some semblance of stability, pre-empting a Cuban-supported revolution that still threatens to throw El Salvador into chaos.

CONCEPTUALLY, the reform program is quite simple and fair to all parties. Starting last March, the government expropriated the large sugar, cotton, and coffee plantations in the country and turned the land over to 60,000 farm families who had been cultivating it. A month later, 7,500 medium-sized holdings were transferred to 150,000 families of tenant farmers and sharecroppers.

In return for the land, the former owners were to receive cash and bonds from the government which, in turn, would receive annual payments over 30 years from the new, present landowners that would total the amount that the government paid the former owners.

The program stalled, however, as leftist guerrillas and Marxist elements saw the land redistribution as a threat to their own support and did everything they could to disrupt it. Conservatives, including former landholders who resented the wholesale turnover of prime farmland to the peasantry, also opposed the plan—the cornerstone of the governing American-supported junta's efforts to liberalize the social and economic structure of the country.

Viera had been designated by the government to head the reform program, and the AFL-CIO's American Institute for Free Labor Development, under a contract with the U.S. Agency for International Development (AID), provided the much needed technical assistance in carrying it out. As AID Director Douglas Bennet, Jr., put it, AIFLD's mission was to support the agrarian reform program in every possible way.

"If we could get land distributed to the farmers, there would be a much better chance of a moderate outcome to the tense political situation," Bennet said in a Washington Post interview. "We were in the middle of an extremely difficult process tried many times in many different countries unsuccessfully. We had high hopes" for El Salvador.

The task presented formidable obstacles. El Salvador's campesinos (peasant-farmers), who make up nearly 40 percent of the country's 5 million inhabitants, have lived for centuries as virtual serfs. The land-redistribution program offered them a chance to gain equity in the land they till, creating a stabilizing, middle-class constituency.

AIFLD EXECUTIVE Director William C. Doherty, Jr., drew a parallel between the agrarian reform plan and the Homestead Act, which in an earlier era helped set up family farms in the American Midwest.

The expropriated estates have been kept intact and farmed cooperatively by campesinos who now own as much as 17 acres each, Doherty observed. The hitch is, however, that many of the sharecroppers have not received clear title to the property. Some former landowners this summer swooped down on the peasants and seized their crops because of the lack of titling.

"That's where the government was dragging its feet," said Doherty, "and that's where Hammer and Pearlman came in." Hammer, described by colleagues as one of the foremost experts on agrarian affairs in Latin America, flew to San Salvador to see what he could do to insure the continuance of the land-reform project. Pearlman had been there seven months, running seminars for employees of Viera's Institute for Agrarian Transformation on interpreting the junta's March land-redistribution decree.

There was an air of despair and disillusionment over the program which Hammer and Pearlman were attempting to dispel when they were cut down by automatic-pistol fire.

'These Good Men'

THE AFL-CIO is outraged and saddened by the cold-blooded murders of American Institute for Free Labor Development representatives Michael Hammer and Mark Pearlman by extremist forces in El Salvador.

These good men were in El Salvador to assist that nation's peasant unions to participate in a land-reform program designed to improve the lives of hundreds of thousands of small farmers and to lay the foundation for a stable, democratic society.

We are equally grieved by the assassination of our brother and friend Rodolfo Viera, president of the Union Comunal Salvadorena, the largest democratic peasant organization in the country.

The AFL-CIO calls upon the government of El Salvador to bring those responsible for these brutal murders to justice, and to redouble its efforts to bring about agrarian reform for the benefit of El Salvador's impoverished workers. Clear title must be granted to the 210,000 poor farmers who have been promised land.

THE FORCES of extremism, the totalitarian right and left, must not be permitted to destroy the prospects for democratic reform, upon which depend the hopes of farmers and workers for a more peaceful and prosperous life. These brutal assassinations, coming within weeks of the similar cold-blooded killing of Felipe Zaldivar, president of the major democratic urban trade union center, are further proof of the determination of the extremists to destroy democratic institutions.

The AFL-CIO will continue its support to the rural and urban trade unions of El Salvador so long as they need and desire our help. We call upon the U.S. government to reiterate its support for the land-reform program for which our brave friends gave their lives, and the success of which would be their best memorial.

We extend our deepest, heartfelt condolences to the families of Brothers Hammer, Pearlman and Viera.

—Statement by AFL-CIO President Lane Kirkland.

The Only Fitting Memorial

LAND REFORM is the only sensible course for heading off a brutal civil war, but it cannot succeed as long as the "death squads" are able to roam at will. The arrest of the land reformers' assassins could alter the political climate in El Salvador. As a step in this direction, the FBI agents who have been allowed to investigate the recent murder of American nuns might be instructed to extend their inquiry.

The land reform also needs to be pressed forward. About 60,000 peasant families have been established as clear owners of land expropriated, with compensation, from 300 estates. But land titles are still awaited by 150,000 former sharecroppers on 7,500 other farms.

Perseverance in the effort is the only fitting memorial to the many who have now died for it.

—From an editorial in the New York Times, Jan. 6, 1981.

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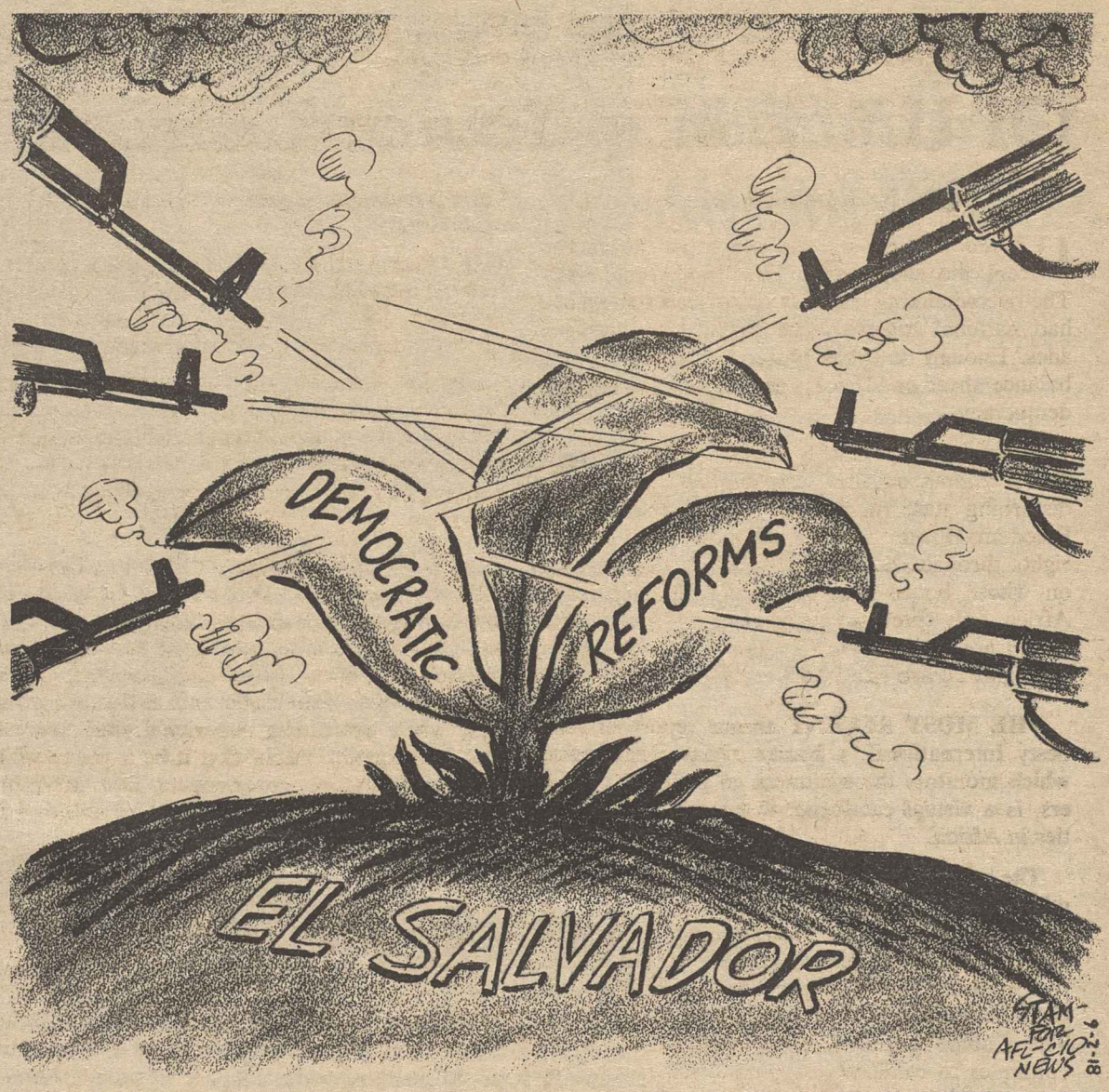
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Crossfire



Bane or Blessing

Jobs-Productivity Crisis Looms With Computerized Robots

By Gus Tyler

HE SPOKE with awesome authority. The audience, made up mainly of business executives, was tensely attentive, as he spoke of the need to educate the American people about the economy.

"Sixty percent of those we interviewed," he declared, "mistakenly believe that America leads the world in productivity."

I looked around the hall; heads were wagging in despair at this abysmal ignorance of the people.

"They have to be informed, educated, told the truth," declaimed our speaker.

The audience applauded.

YET, TO TELL the truth, it is the would-be educator, not the people, who needs education. The fact is that America does lead the world in productivity, turning out more per person per hour than any other nation.

The misinformation of the educator—who is responsible for a multimillion dollar campaign to "educate" the American people on economics—is but one of the bits of falsity presently circulating on the subject of productivity.

The word is that other countries are catching up with or surpassing us. A simple non-fact!

We are told that not enough money is going into fixed capital investment nowadays. The truth is that in 1979 we invested as much as at any time in the last 30 years.

IT IS SUGGESTED that unions, by their restraining presence, cause productivity to lag. The fact is that productivity is higher in union plants than in comparable non-union plants.

All these explanations are being propagated on the assumption that something is wrong with our productive machine at precisely the moment when the problem we are about to face is precisely the opposite of the problem we are propounding. Before 1990—within ten years—we will face a crisis: not too little, but too much, productivity.

We are at the verge of a new era, as revolutionary in its implications as the Industrial Revolution itself, the age of the robot moved by the microelectronic computer. The robot will supply the physical substitute for humans, with its hands, feet, fingers, eyes, ears; the computer will supply the mental substitute for people with its vast memory banks, its speedy calculations, its ability to make decisions based on millions of permutations and combinations researched in seconds.

THIS REVOLUTION was foreshadowed by the automation of the post World War II years. But the developments of those years were just an inkling of what is to come.

The computerized robot, the inhuman human, cannot be halted. He (she) is fated to dominate our economy: factory or store, office or warehouse, perhaps even teaching and transport.

Like other discoveries and inventions of man—like fire, for instance—the mechanical man can be a blessing or a bane, depending how society uses the marvelous machine.

The danger is that when the magical being enters our lives we will be unprepared, in large part because we will be talking about how unproductive we are at a moment when each of us is too productive—or just permanently unemployed.

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Earthquake in Italy Left Trail of Disaster

I have recently returned from a disheartening tour of the Italian earthquake area.

The agony of Italian families, towns, orphans and widows was a stomach-wrenching scene. A disaster like the Italian earthquake, covering some 10,000 square miles, is incomprehensible in its vastness and terrifying in its random unpredictability.

While we have been able to send the Italians some earthquake relief aid, clearly our rich and sympathetic country is in a position to do even more. While the world owes the Italian people a tremendous debt for their contributions to civilization, art and culture, our strong feelings of sympathy and our desire to help now is clearly based on shared humanity.

—Robert A. Georgine, president of the Building & Construction Trades Dept.

Only 3 Nations 'Free'

Human Rights Urged as Focus Of U.S. Policy Toward Africa

By Bayard Rustin

IT IS 30 YEARS since Africa began to emerge from the shadows of European colonialism. The overwhelming majority of African states have had national independence for nearly two decades. Enough time has passed for drawing up a balance sheet on Africa and the state of African democracy.

A brief survey of the extent of human rights and freedoms on that large continent reveals a disturbing state of affairs. By the reckoning of Freedom House, a respected monitor of human rights throughout the world and an organization on whose board I serve, of the 46 nations in Africa, only three are assessed to be free. A total of 17 are judged by Freedom House as partly free, and 26 are rated "not free."

THE MOST RECENT annual report of Amnesty International, a human rights organization which monitors the treatment of political prisoners, is a virtual catalogue of tortures and atrocities in Africa.

The world is well aware of the carnage committed in the Central African Republic by the deposed tyrant and self-styled "emperor" Bokassa and in Uganda by deposed dictator Idi Amin. But the Amnesty report singles out many other African states for flagrant human rights violations. The Cuban-backed Leninist regime in Angola continues to ruthlessly suppress dissidents and to execute political opponents.

Ethiopia, another Soviet and Cuban-backed regime, has had a succession of "Red Terror" campaigns against political opponents. These campaigns have involved, according to Amnesty International, "political arrests, mass killings, the exposure in public of the bodies of those summarily executed, and systematic torture." According to informed estimates, by early 1979, the Ethiopian regime held over 8,000 political prisoners. And, as a consequence of unrelenting warfare between Ethiopia and Somalia, 1.3 million refugees have fled Ethiopia, creating a refugee problem rivaled only by Cambodia's.

SOUTH AFRICA, meanwhile, continues to imprison black political leaders, many of whom have died in police custody, and to make use of "banning orders" to exile democratic political opponents to isolated parts of that country. Additionally, there appears to be little lessening of the racist policy of apartheid, although that policy is now opposed by significant portions of the white population as well as by blacks and other non-whites.

In North Africa, the Tunisian government of Habib Bourguiba has been engaged in a relentless campaign of harassment and imprisonment against independent trade union leaders.

The list of victims of African regimes of both the left and the right mounts daily. Yet the discussion of the state of human rights in Africa receives scant attention in the western press, and was ignored by President-elect Reagan in his campaign.

MOREOVER, Reagan's victory has been greeted with skepticism by many Africans. For this reason, the new Administration must act with regard to Africa in an intelligent and comprehensive manner. It is crucial that a Reagan Africa policy promote democratic and anti-racist principles, while protecting America's vital interests. And it is equally crucial that it be a policy which seeks to pressure governments into abolishing torture of political prisoners and prohibiting the execution of political opponents.

The road toward such a policy lies in a strategy that is opposed to apartheid and which simultaneously highlights and opposes the alarming escalation of the Soviet and Cuban presence on that continent.

Such a policy would have the endorsement not only of many of Africa's political leaders, but it would also enjoy the support of broad segments of African society.

THE QUESTION of democracy and human rights in Africa, however, must not be left to governments alone. It is equally the responsibility of those who have struggled for civil rights in this country. I hesitate to issue the call for a new campaign. Such declarations, if unsupported by organizational commitment, ring hollow and are without lasting significance.

However, the time is more than ripe for American blacks and other civil rights advocates to begin a discussion of how to help those Africans who are committed to democratic ideals and social justice.

In the wake of the controversies surrounding the resignation of Andrew Young as United Nations Ambassador, a number of black leaders voiced the opinion that it was time for blacks to play a leading role in shaping American foreign policy. The question of African human rights and the presence of Cuban forces in Africa present the opportunity for playing such a leading role.

Crimp on Low-Income Housing

Reagan's Tight Money Pledge Dims Outlook for Construction

THE INCOMING Reagan Administration is pledged to support the tight money and high interest rate policies that are putting a hard squeeze on housing and construction, AFL-CIO housing analyst Henry Schechter said on Labor News Conference.

A series of such tight money policies since World War II has produced a "predictable, painful course to high unemployment, loss of national product, income and savings that leaves the entire economy weaker," Schechter declared. He said that coupling those policies with "drastic hold-backs of budgetary expenditures" and across-the-board tax cuts will have a severe impact on low-income Americans.

THIS IS the same course that the Thatcher government in Britain has been following with "abysmal failure"—continued high interest rates, increased unemployment and no curb on inflation, Schechter observed.

Schechter, director of the federation's Office of Housing & Monetary Policy, renewed the call for credit regulations to stem "escalating and wildly fluctuating interest rates." He said that the brief use last spring of such authority under the Credit Control Act—the first use since the law was adopted in 1969—brought "a dramatic reduction in interest rates over a few months," cutting the prime rate from 20 percent to about 10 percent, and the mortgage rate from 16 percent to 11 percent.

But the economic recovery stalled when the controls were lifted in July, Schechter pointed out, adding that "we're now back where we were about this time last year."

Reporters questioning Schechter on the AFL-CIO produced public affairs program were Calvin Zon of Press Associates, Inc., and Alan E. Adams of Employment Relations Report. Labor News Conference is broadcast weekly on Mutual radio.

Full Measure of Quality!



UNION LABEL AND SERVICE TRADES DEPT., AFL-CIO

Washington Window

By Press Associates, Inc.

A DEBATE IS SHAPING UP that will illuminate America's commitment to helping the poor and needy make their way out of poverty and build more self-reliant and self-respecting lives.

Since the "war on poverty" began in 1964, federal income transfer and anti-poverty programs have helped 11 million people leave the poverty population and kept additional millions from falling below the poverty line, according to a recent report by a presidential advisory panel.

UNFORTUNATELY, nearly 25 million Americans still live in poverty. According to AFL-CIO estimates, the poverty line for an urban family is about $8,729 a year as of November 1980.

The National Advisory Council on Economic Opportunity recently issued a report, "Critical Choices for the '80s," that addressed the problems of unemployment, inflation, job creation and welfare reform. The report also discussed the fate of human needs programs aimed at alleviating these problems.

Council Chairman Arthur Blaustein pointed out that from 1965 through 1969, "real gains were made in our efforts to reduce poverty, but these trends were reversed dramatically in 1970. In 1975 alone, there was an increase of 2.5 million poor, the largest single-year increase since 1959; and the 1974-75 recession increased the poverty population by 3 million people."

THE REPORT also cites a "frightening pattern" of recent shifts in the status of the poverty population that "bodes ill for the future." Certain trends define the pattern of an increasing portion of the poverty population represented by women, youth and minorities who, the council stresses, are beyond the reach of most of the benefits of private sector growth. Among these trends are:

● The "feminization of poverty." Almost one of every three female-headed families is poor; about one in 18 families headed by a man is poor. At the present rate, the council says, "the poverty population would be composed solely of women and their children by about the year 2000."

● Growth in poverty among the very young. From 1969 to 1978, the number of poor children under 18 rose nearly 250,000. Their rate of poverty rose by about 14 percent in that time. More than one in four Hispanic children and about two in five black children were poor in 1978.

● Growing poverty among racial minorities. In 1967, the rate of poverty among black family heads was about 3.75 times that of whites. By 1977, it had reached four times that of the white population.

● Geographical changes. The rate of poverty has risen in the North and West while falling in the South. The greatest increases in poverty rates were among central-city minorities.

● The elderly are in trouble. They account for much of the decrease in official poverty rates during the 1970s—largely due to greater social security benefits—but most of the elderly who have 'moved out' of poverty merely moved from a few hundred dollars below the poverty line to a few hundred dollars above it.

THE COUNCIL'S evaluation of the unemployment situation revealed similar severe problems and troublesome trends. The group reviewed the social costs of recession, inflation and energy shortages that have characterized much of the 1970s. It found increasing numbers of the unemployed were not nearly as well protected by unemployment insurance and other income support programs as has been generally thought.

In fact, the council noted that only about half of the jobless receive unemployment compensation, and large numbers of unemployed persons receive no food stamps or welfare benefits at all.

IN RELEASING the council report, Blaustein said: "Those so-called new conservatives who have gained national recognition by attacking government efforts to help the poor should have the honesty to admit that any proposed cuts in the human services budget will undo the substantial progress of the past 15 years and tumble millions of Americans back below the poverty line."



TIGHT MONEY and high interest rate policies that are squeezing housing and construction are likely to continue with a vengeance under the Reagan Administration, Director Henry Schechter, center, of the AFL-CIO Office of Housing & Monetary Policy said on Labor News Conference. Questioning him were Alan Adams, left, of Employment Relations Report and Calvin Zon of Press Associates, Inc.

Payback Differentials

Rating Labels on Refrigerators Aid Buyers on Energy Savings

By Esther Margolius

IF YOU ARE refrigerator shopping, be prepared to check out the ESP rating of the model you select. Aiding you in your calculations —and you would be well advised to take pencil and paper or calculator—will be a black and gold energy guide label which is now government mandated for all models manufactured since May 19, 1980.

ESP stands for "Energy Savings Payback." When you decide to pay more initially for an energy efficient refrigerator, the low operating costs are expected to pay back the differential in price between the high efficiency and the standard models. The payback period can be spread over five years, but is more likely to be realized within two or three years.

For example, one Sears "high efficiency" refrigerator/freezer with an annual operating cost of $45 projects an energy savings of $110 over five years. All estimates are based on a national average rate of 4.97 cents per kilowatt hour. The "high efficiency" model price is $50 higher than a comparable standard model. So at $22 a year energy savings, the payback differential would be returned in slightly over two years.

THE GOVERNMENT energy guide labeling program applies to 13 major household appliances. It is mandated under the 1978 amendment to the Energy Act of 1975.

This labeling is supposed to tell consumers how much it will cost to operate the appliance and how this cost compares to operating costs of all brands of the appliance of similar capacity.

It should be noted that the differential in operating costs between standard and efficiency models would remain even if, as expected, utility rates continue to climb. And the Dept. of Energy is counting on the ESP factor to sell consumers on buying new efficient models and retiring old ones.

Refrigerator buyers in the past generally have ignored operating cost information. For example, less costly to operate manual defrost models have been bypassed in favor of frost-free models.

MANY TWO-WORKER families have selected large capacity side-by-side combinations. Such families favor prepared frozen foods and TV dinners, and usually select models which offer the most freezer capacity along with refrigerator storage together in one compact unit.

Cost-wise, side by sides are the most expensive to buy and operate. However, space restrictions in apartments or small kitchens may be a primary consideration. Often, two separate units, one freezer and one refrigerator, offer both more storage and lower operating costs for the two than for the side by side.

If future Dept. of Energy standards prevail, the continuance of the side by side may be in doubt. Also likely to be cut are the small four- to five-cubic-foot models, as well as single-door and less expensive standard models in the 10- to 13-cubic-foot range. Such extras as icemakers and door ice and water dispensers may have to be dropped.

CURRENT RESEARCH studies conducted by private and government researchers both in Canada and the United States recommend the double door, top freezer/bottom refrigerator combination as the most efficient choice. And the overall size range selected by most manufacturers is the government standard from 16.5- to 18.4-cubic-feet models.

Energy guide labels for high efficiency freezer top refrigerators show the operating cost range for the above capacity to be from $45 to $88 annually. All models examined were frost-free. Retail sale prices ranged from a low of $422 to a high of $860.

There can be confusion as to which energy label gives an accurate appraisal of savings. Because many models also feature manufacturer's labels claiming energy savings, consumers could be misled into believing such represented "high efficiency" models.

BUYERS ALSO should understand what "power saver" switches mean. These switches turn off the heating element which helps to defrost frost-free units. The elements are not essential in cool dry weather as they would be in hot humid conditions. When there is little likelihood of frost build-up, they can be turned off. When off, operating costs can be cut up to 9 percent. Models which utilize heat from condensers instead of heaters for defrosting obviously would not feature such switches. Ask your dealer which type is involved.

Another item to check out is whether the dealer charges for delivery. We found most department stores and catalogue stores do, and such charges can add from $10 to $40 more to the advertised sale price. But there are many appliance stores, including discounters, who do not charge for delivery and this represents additional savings.

Our research also found that the price differential between a standard model and a high efficiency model could be as low as $30. Prices quoted for high efficiency refrigerators varied as much as $100 for the same models in different stores. So careful comparison shopping is advisable.

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Soup to Nonsense

Split-Second or Eon—There's No Easy Way to Measure Time

By Jane Goodsell

A MONTH: What the first day you give up smoking seems like.

A slight delay: A maitre d's computation of a 45-minute wait for a reserved table.

An instant: A dentist's estimate of how long the drilling will hurt.

Forever: What that instant feels like to the patient.

One-90th of a second: The interval between the time the traffic light turns green, and the driver of the car behind you starts honking his horn.

A JIFFY: A wife's estimate of the time it will take her to get ready "so you might as well get the car out of the garage, Henry," during which interval she changes her dress, recombs her hair, decides she needs more eye makeup, puts a pound of split peas on to soak, writes instructions to the baby sitter and makes a phone call to her mother.

An hour: A husband's appraisal of the interlude between 5 o'clock and 5:15 which he spent driving around the block because his wife wasn't waiting for him at the corner of 5th and Main as she was supposed to be.

A couple of minutes: What, according to her, she couldn't have been later than.

A CENTURY: A child's evaluation of the time gap between one Christmas and another.

Barely time to turn around: An adult's appraisal of the same time span.

Only yesterday: When it seems to the mother of the bride that her daughter was a tiny gurgling baby in pink booties.

A little while: A doctor's receptionist's evaluation of the time between a 10 o'clock appointment and the 11:55 summons into the doctor's presence.



A SOUTH AFRICAN EDITOR, Percy Qoboza, enlists the support of AFL-CIO President Lane Kirkland for his colleagues in their dispute with the white management of a newspaper for black readers. Qoboza, who has been in the United States as an "editor-in-residence" with the Washington Star, left for Johannesburg with assurances of solidarity from Kirkland and from the Newspaper Guild.

Agriculture Yearbook

Fuel Conservation Tied to Home Usage

By Goody L. Solomon

THE TENDENCY IN January and February is to rein in family budgets to accommodate the incoming bills, and thrifty use of fuel looms ever more sensible.

Enter with unexpectedly good timing, "Cutting Energy Costs," the Yearbook of Agriculture.

After last year's venture into a colorful and controversial publication for children ("What's to Eat?") the U.S. Dept. of Agriculture has returned to its traditional format using black and white text and illustrations. The latest yearbook—the 81st, by the way—is also characteristically thorough. It offers energy saving tips for farmers, foresters, food manufacturers and consumers. "Every American should find something worthwhile in this volume," says Agriculture Sec. Bob Bergland.

INDEED, THE BOOK makes plain that food activities provide substantial opportunities for fuel conservation. The food system overall consumes 16.5 percent of the country's total energy, with 2.9 percent going for farm production, 4.8 percent for food processing and manufacture, 0.5 percent for wholesaling, 0.8 percent for retailing, 2.8 percent for out-of-home food storage and preparation and 4.3 percent for in-home storage and preparation.

The hard-covered, 408-page book, divided into four major sections, has 48 chapters on topics such as better ways to raise poultry, cheaper ways to move irrigation water, the do's and don't's of home insulation, the energy-efficient home of the future, landscaping to reduce year-round energy bills and tips for home appliances.

To help conserve home use of fuel for food purchasing and cooking, here are some tidbits culled from the chapter by Fern Hunt, professor of home economics at Ohio State University:

- Substituting some grains and field crops (soybeans, oats, wheat and corn) for high quality animal protein can help lower the national energy appetite since animals aren't efficient in converting the plants they eat into body mass.

- As an illustration of the high energy requirements of processing packaging and refrigeration, consider that to slaughter beef and pork takes roughly 910 and 1750 BTUs per pound of live weight. Making wieners, bologna, ham and such increases energy use by 7,000 BTUs per pound of processed meat—or up to 10 times more. That may be partially offset, of course, when the processed meat needs no further heating or cooking before consumption.

- When it comes to home cooking, which accounts for 1.1 percent of the national fuel bill, work habits make for big differences. Writes Hunt: "Energy usage has been shown to vary by as much as 50 percent among women doing identical tasks with the same kitchen range."

How to be efficient? For one suggestion, the pot should be the same size as the stovetop burner; vessels too small or too large dissipate a lot of heat. For another, when cooking potatoes on an electric burner, use a covered saucepan; bring the water to a boil on a high setting; then transfer to a low-setting—not a medium low setting which will use double the amount of electricity for that particular job. When cooking with liquids, use very little of it and a utensil with a fitted cover; you not only save energy but also nutrients and flavor.

Free copies of "Cutting Energy Costs" are available from U.S. senators and representatives who, together, receive 233,450 copies for distribution to constituents. Copies can also be purchased (price: $9.50) at government bookstores in major cities or by sending a check or money order to the Superintendent of Documents, Washington, D.C. 20402. **(PAI)**

Spurred by Union Efforts

Schools Broaden Study Of Labor's Role, History

By Susan Dunlop

California students will be taking a closer look at the place of organized labor in American society, thanks to an updated economics curriculum adopted by the state's board of education.

In Maryland, a new law passed by the general assembly mandates the teaching of labor history in the state's schools.

And in Detroit and New York, teachers are being provided with lesson plans, classroom materials, guest speakers and other aids to help them teach labor studies.

NATIONALLY, more than half a million members of the American Federation of Teachers are getting supplies of a colorful new classroom aid, developed by the union, for teaching labor history.

These are a sample of organized labor's active national, state and local efforts to encourage positive teaching of labor studies in the nation's school systems.

The AFL-CIO Dept. of Education is stepping up its own activities in this area in 1981 with programs already under way to provide leadership, technical help and resource materials to a variety of "labor-in-the-schools" programs around the country.

The department's director, Dorothy Shields, emphasizes the federation's interest in working with state and local leaders, with the Teachers' union and with support groups to correct the "neglect" of fair, balanced treatment of the role of organized labor in society.

"THE INDISPENSABLE key to a successful labor-in-the-schools program," Shields stresses, "is the knowledge and motivation provided by officers and union members on the state and local level, and the AFL-CIO's own efforts are deliberately flexible to help or to complement their work.

"We want to be as supportive as possible in all areas in which we are working, and rather than hold up any one approach as the model, we are encouraging an array of unique efforts.

In the California case, the state board of education's curriculum development commission designed its new social science framework to include a positive approach to the role of trade unions and collective bargaining in modern society. The framework is a written guide used for teaching and for textbook selection at all grade levels.

FORMER AFL-CIO Regional Director William L. Gilbert, a member of the state education board, was instrumental in having the improved curriculum adopted.

The effort has already borne fruit in a new textbook on California history that contains a full chapter on the history of workers and their unions in the state. The text, approved for use by fourth-grade students, stresses the ways unions helped California workers achieve rights and a better standard of living.

Organized labor is also participating in a curriculum review program in Maryland where the efforts of the State AFL-CIO and interested students led to passage of a state law calling for coverage of labor history in the schools.

THE AFL-CIO jointly sponsored an education conference with the University of Maryland to introduce the subject to the state's educators.

The federation's Dept. of Education is also working with Frontlash, the organization that encourages youth participation in labor issues. And a joint program is under way in Detroit schools to stimulate the interest of high school students in labor studies and to provide teachers with information, materials and speakers on labor topics.

The Teachers' union has been active on the national and local level to encourage increased study of labor issues. In 1981, the AFT is publishing a special five-part photo essay series, "Working in America," highlighting labor history. The series, which is appearing first in the union's journal, the American Teacher, will be converted to a set of colorful posters available free to teachers for classroom use, primarily at the high school level.

THE POSTERS will contain additional text, guides for teachers, and lists of books and resources for further study. The project's chief goal, the union emphasizes, is to inspire as many teachers as possible to include in their lessons materials on labor history and the role of organized labor in a democratic society.

Local Teachers' unions and individual members have also worked hard on curriculum development, AFT points out. Some locals, as part of their collective bargaining agreements, have negotiated commitments from school boards to locate texts that provide a balanced account of labor's roles.

The union's New York City affiliate, the United Federation of Teachers, developed its own source book of materials on organized labor so that it can be used by any teacher whether or not he or she has a personal background in labor.

WHILE MANY labor-in-the-schools projects are directed at the elementary and secondary school levels, the AFL-CIO is also active in promoting improved curriculum development in colleges and universities, Shields said. The federation is a member of several advisory councils on secondary and higher education where part of the focus is on expanding labor studies.

"It is only fair that young people come away from school with a full and honest picture of our history, our society, and our economy," Shields said. "Organized labor has played a role in the development of each of those elements and continues to do so, and whether a young person is destined for a career as a worker or in management, he or she deserves to get the whole story."

Utility Workers Elect James Joy New President

James Joy, Jr., 53, has been elected president of the Utility Workers by the union's executive board to succeed Valentine P. Murphy.

Murphy resigned the office he held since 1979 to assume lighter duties. Joy will fill the unexpired four-year term of the presidency, and Murphy was elected by the board as national executive vice president.

That post had been held by Joy since 1975. He has also been business manager of the union's Local 1-2 in New York City since 1971.

Joy is a vice president of the New York State AFL-CIO and a member of the executive council of the New York City AFL-CIO where he served as chairman of the community services committee. He has been chairman of the New York State Utility Labor Council and is a vice president of New York State United Way.



JAMES JOY, JR.



OFFICIAL PICTURE of the National Labor Relations Board shows, standing left to right, John C. Truesdale and Don A. Zimmerman, and, sitting left to right, Howard Jenkins, Jr., Chairman John H. Fanning, and John A. Penello. The photograph was released just before Penello announced plans to resign.

HRDI Job Placement Total Mounts to 90,000 Since '72

Nearly 90,000 unemployed, underemployed or disadvantaged workers have been placed directly in jobs by the AFL-CIO Human Resources Development Institute since 1972, according to a report prepared for HRDI's board of trustees.

The report was presented to the board by HRDI Executive Director Michael Arnold who reviewed the institute's activities and services during the board's recent meeting.

AFL-CIO PRESIDENT Lane Kirkland was elected chairman of the 19-member board. Alan Kistler, director of the federation's Dept. of Organization & Field Services, was re-elected president and AFL-CIO Comptroller William T. Collins was re-elected secretary-treasurer of the institute, the federation's employment and training arm.

Arnold discussed HRDI's programs over the past year, which, in addition to its job training and placement activities, included a broad range of services to labor organizations to help them participate in federal training and employment programs established under the Comprehensive Employment & Training Act.

Arnold stressed the importance of HRDI's role in maintaining a voice for organized labor in the shaping of federal policy on employment and training and its efforts to encourage union participation in these programs.

IN ADDITION to the training and placement achievements of HRDI's 59 area offices in 36 states, Puerto Rico and the District of Columbia, the institute is continuing seven special programs intended to assist disadvantaged workers in securing "a brighter economic future."

These programs include 26 Targeted Outreach programs to help women and minorities participate in apprenticeship programs, two construction and apprenticeship-related programs for native Americans, placement and service programs for handicapped workers and veterans, a demonstration program to provide summer jobs for young workers, and a Houston-based Apprenticeship Opportunity Center that offers apprenticeship information, placement and referral.

Over the next five years, the report said, HRDI will continue to provide training, develop job opportunities, and provide job placement while increasing its services and technical assistance to the labor movement, community agencies, schools, employers and CETA program operators.

ARNOLD OUTLINED the institute's five-year plan for expanding its services which will include preparation and distribution of technical information to national and international unions and state and local central bodies "to help them keep pace with the growing CETA system."

HRDI will expand its efforts to provide direct, local help to the labor movement and CETA officials "to assure labor's total involvement in local programs," and it will expand its training programs for labor officials and CETA staff to demonstrate their common goals, the report said.

In addition, HRDI will continue its training programs for its own staff to improve their ability to serve not only jobless and disadvantaged workers, but also union members who may be laid-off, disabled or in need of new skills.

Judge Refuses to Prohibit ILA Cargo Container Rule

Newark, N.J.—A U.S. District Court judge here refused to block implementation of disputed work rules between the Longshoremen and several shipping associations over the handling of cargo containers.

In denying a request by the National Labor Relations Board's general counsel for a temporary order restraining the ILA and five major shipping groups from putting the work rules in effect, Judge Herbert J. Stern said:

"THIS IS not the case of a union standing with a gun to the employer's head. Rather, the court is being asked to apply the pressure."

The action stems from a decision by the parties last month to begin implementing the rules, which have been a source of legal controversy for a decade. The union's contract provisions with the shippers require that stripping and stuffing of containers within 50 miles of all Atlantic and Gulf Coast ports be performed by ILA members.

NLRB General Counsel William A. Lubbers said that he sought the injunction in response to unfair labor practice charges by consolidators and truckers. The board had held that the work rules violated the National Labor Relations Act, but last June the Supreme Court set aside the decision, remanding the proceeding to the board for further study.

THE ILA AND the shippers agreed last month to begin enforcing the rules on Jan. 1. Under their agreement, the union is free to strike on 60 days' notice if a court issues an injunction against the containerization rules.

The dispute involves the transportation of cargo in container vans, which can be sent by ship and loaded on a truck or train at the port.

Congressional Coalition Study

Job-Linked Investments Urged on Pension Funds

A new study released by the Northeast-Midwest Congressional Coalition shows that pension funds are usually invested without regard for the interests of the workers who contribute, accelerating the loss of jobs in regions already hit hard by plant closings and high unemployment.

"In effect," the study says, "workers may be assisting in their own future unemployment and loss of pension rights."

PENSION FUNDS are the greatest single source of investment capital in the United States, with assets worth 27 percent of the gross national product.

The Northeast-Midwest Congressional Coalition is a bipartisan organization of 213 members of Congress from 18 Northern states. The study, "Pension Power for Economic Development," was prepared at the coalition's request by the Northeast-Midwest Institute, an independent research group based in Washington.

Sen. John H. Chafee (R-R.I.), incoming chairman of the Senate Finance subcommittee on saving, pension and investment policy, said he will hold hearings in 1981 to investigate how pension funds are invested.

"THE WORKERS in our part of the country who participate in pension plans could receive substantial long-term benefits, including greater job security, if more of their pension funds were directed to local investments," he said. Chaffee is co-chairman of the Northeast-Midwest Senate Coalition.

The 500,000 pension plans in the United States own enough stock to control the 1,000 largest corporations in America, the study says.

The Labor Dept. predicts that the wealth of all pension funds—which the AFL-CIO estimates exceed $600 billion—could grow to $3 trillion by 1995.

This vast economic power, the study says, could be targeted to communities where investments are needed to create jobs. But the opposite is happening. Pension fund managers, seeking the highest possible rate of return, are strongly biased against firms in the economically troubled Northeast and Midwest, accelerating the drain of investment capital from areas of high unemployment.

ACCORDING TO the study, state and local pension funds for public employees often neglect the communities where most of their members are employed. Of the top 15 public pension plans in the Northeast-Midwest region, managing a total of $69 billion, only three have any policy to promote investments in their state.

For example, only 10 percent of the $3 billion controlled by the Ohio Public Employees Retirement System is invested in the state. Another plan, the fund for public school teachers in Chicago, manages $758 million but invests 84 percent of its assets outside the city.

Pension fund managers, the report says, almost always invest in large corporations and neglect the small businesses that create most of the new jobs in the United States. Between 1960 and 1976, small firms provided 66 percent of new employment, including virtually all of the new jobs in the Northeast

Rep. Robert Edgar (D-Pa.), chairman of the congressional coalition, said that pension plans should seek a high rate of return but not at the expense of the workers who contribute to the funds. "We can no longer tolerate a pattern of pension investments that diverts capital from areas of high unemployment," he said. "The irony of these investments is that they force workers to finance their own unemployment, leading to the loss of their pension rights."

The study recommends changes in federal policy, but concludes that most of the realistic opportunities to target investments can be found in the funds controlled by state and local governments.

High Prime Rate Seen Continuing Inflation Squeeze

One major New York bank, Chemical, lowered its prime lending rate to 19.5 percent from 20.5 percent, but other big banks held to the 20.5 percent level that became the industry standard for all practical purposes a week earlier.

With the cost of money holding at such a high level—the prime tends to influence all other short-term rates—the immediate outlook was for continued inflationary pressures on the nation's economy.

Meanwhile, a government barometer of future economic activity showed surprising strength remains in the economy. The Commerce Dept.'s index of leading economic indicators for November rose a healthy 1.2 percent, the sixth consecutive monthly rise. Eight of the 10 indicators available for November beamed positive signals, the strongest coming from new contracts for plant and equipment—up 16.7 percent in real terms.

The November rise in the indicators compared with an October increase of seven-tenths of 1 percent, originally reported as an increase of nine-tenths of 1 percent.

Other components of the index that were favorable were stock prices, vendor performance, building permits, the change in sensitive raw materials prices, and change in total liquid assets. Money supply in 1972 dollars and new orders in 1972 dollars made negative contributions to the November index.



MULTI-MEDIA MATERIALS developed for a tribute to the memory of George Meany as "a great humanitarian" are presented by William Aramony, national executive of the United Way, to AFL-CIO President Lane Kirkland and Community Services Director Walter G. Davis, right. The salute to Meany was shown last winter at the AFL-CIO Executive Council meeting a month after his death. Meany was chosen for the United Way's Alexis de Tocqueville Society award.

Budget, Rules Votes Mark Opening of 97th Congress

(Continued from Page 1)

fiscal 1982 and dropping each year to a ceiling of 20 percent in fiscal 1985.

REP. JIM JONES (D-Okla.), the new chairman of the House Budget Committee, had proposed such a formula last year. He termed the GOP proposal put forth on the opening day "a partisan exercise" to embarrass the Democrats and urged its rejection. The concept of a spending limit formula has to be further "refined" before it can be made "workable," he told the House.

The key vote was on a procedural issue, and only three Democrats broke ranks to vote with the Republican bloc.

All other opening day votes followed party lines, with the Democratic majority in the House rejecting Republican attempts to gain more representation on the tax-writing Ways & Means Committee.

PARTY RATIOS on most House committees were changed to reflect Republican election gains, but the Democratic leadership insisted on a 23-12 ratio on Ways & Means, a 33-22 majority on the Appropriations Committee and continued 11-5 control of the Rules Committee, which clears legislation for the House floor.

In other traditional party-line voting, Thomas P. O'Neill, Jr. (D-Mass.) was re-elected Speaker of the House, and the Senate chose Strom Thurmond (R-S.C.) to the largely honorary post of president pro tempore, which normally goes to the most senior senator of the majority party. O'Neill is second in the line of succession to the presidency after Vice President Bush, and Thurmond is now next in line.

The big Senate change, however, was the switch that made Howard H. Baker, Jr. (R-Tenn.) the majority leader, with strong control over the scheduling and pace of legislation, while Robert C. Byrd (D-W.Va.) dropped to minority leader.

HOUSE AND SENATE members met in a brief ceremonial session on Jan. 6 to hear Vice President Walter F. Mondale, in his constitutional role as presiding officer of the Senate, announce the count of electoral ballots from each state.

There have been occasional "faithless electors" in the past, but this year there were no surprises. The count of 489 electoral votes for the Reagan-Bush ticket and 89 for the Democratic incumbents mirrored the November election verdict.

Oswald New President Of Research Association

AFL-CIO Research Director Rudy Oswald is the new president of the Industrial Relations Research Association, succeeding Jack Barbash, professor of economics at the University of Wisconsin, Jan. 1.

The 4,600-member IRRA recently elected Richard Prosten, research director of the AFL-CIO Industrial Union Dept. to a three-year term on the association's executive board.

Booklet Focuses on Pension Investment

The AFL-CIO has published a new booklet, "Investment of Union Pension Funds," designed to help workers gain a larger voice in influencing investment decisions.

In the foreword to the publication, AFL-CIO President Lane Kirkland points out that pension funds, with current assets exceeding $600 billion, are the largest source of external capital for American corporations.

HE NOTES that since only a few plans are jointly administered, "most investment decisions are made unilaterally without workers or their representatives having any voice."

"The primary purpose of pension funds is, with prudent investments, to secure retirement benefits for workers," Kirkland observes. "Without jeopardizing this primary objective, pension funds should invest to improve the life and conditions of working men and women. Unions should be in a position to influence the investment of pension funds to better serve the interests of workers. . . .

"The AFL-CIO will work for the implementation of this program in terms of its own members and all American workers in the national interest for a strong expanding economy," Kirkland stresses.

FEDERATION VICE President John H. Lyons, chairman of the AFL-CIO Executive Council's committee on pension fund investments, notes in the introduction that pension funds too often are invested in companies that are anti-union, export workers' jobs, ignore safety and health protections or otherwise opposed workers' goals.

Along with the statement and recommendations adopted by the council at its August 1980 meeting, the report contains the text of a detailed study that grew out of pension resolutions adopted at the past two AFL-CIO conventions. The study explores pension fund operations and investment practices in the United States and several other industrialized countries. It was prepared for the committee by the economic consulting firm of Ruttenberg, Friedman, Kilgallon, Gutchess & Associates.

Four basic objectives outlined in the council's report stress the need to:

- Increase employment through revitalization of major industries
- Spur development of worker housing and health centers.
- Improve the ability of workers to exercise their rights as shareholders.
- Exclude from union pension nivestment portfolios companies whose policies are hostile to workers' rights.

ONE SECTION of the study distills the views of top officials of 28 international unions as well as those of experts in pension policy and management.

Serving with Lyons on the Executive Council committee are AFL-CIO Vice Presidents Murray H. Finley, David J. Fitzmaurice, Angelo Fosco, John J. O'Donnell, Charles H. Pillard and William W. Winpisinger. Retired Vice President George Hardy and the late Paul Hall also took part in developing the report.

Copies of the report are available for $2 each from the AFL-CIO Pamphlet Division.

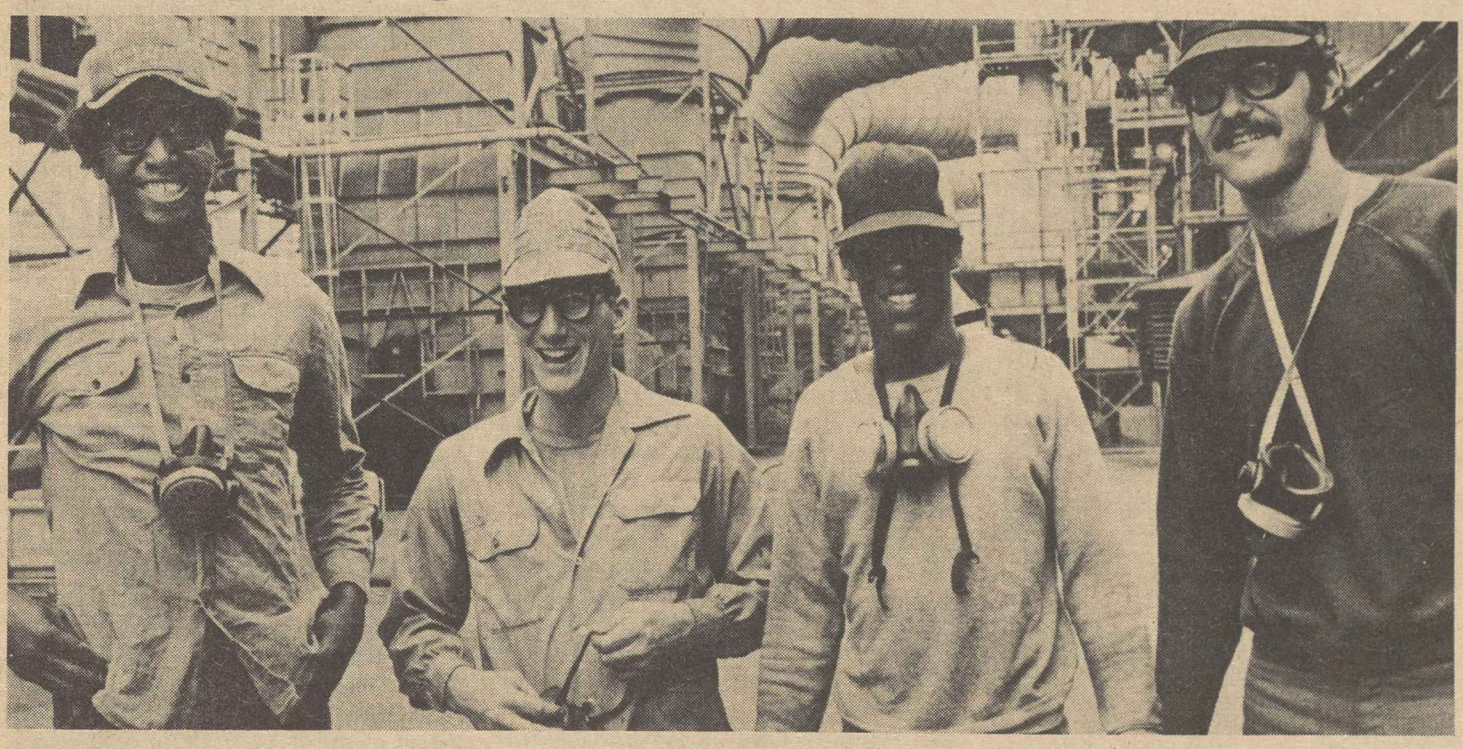
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Budget Skimps Nation's Needs

AFL-CIO News

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A UNION'S FACES are the focus of a new 28-minute color documentary film produced by the Steelworkers to show labor democracy in action. The production features union members such as those shown here involved in job safety programs, collective bargaining and grievance processing, as well as in many community service activities. The film is available on a free loan basis from the USWA headquarters in Pittsburgh. **(Story, Page 7.)**

Disappointed At Cuts, Caps, Kirkland Says

By David L. Perlman

President Carter has submitted to Congress a federal budget that the AFL-CIO said fails to meet "the federal government's obligation to strengthen the economy and to protect those citizens who need protection the most."

The budget was drawn up on the grim assumption that unemployment and high inflation will continue to plague the nation's economy. But AFL-CIO President Lane Kirkland said labor "is disappointed" that it proposes a retreat from programs to deal with these problems.

"RATHER THAN cutting back such programs as extended unemployment compensation benefits, cost-of-living adjustments for retirees and pay increases for federal workers," Kirkland said, "the proposed budget should have made the case for equity, fairness and full employment."

Its fastest-growing component is interest payments, he noted, which have soared 43 percent in two years.

Except for defense spending, where there has been substantial bipartisan support for an increase, most government programs not involving payments required by law would be held below present levels after allowance for inflation.

In fact, to hold the deficit to the $27.5 billion projected for the fiscal year starting Oct. 1, 1981, Congress will have to pass legislation that would have the effect of reducing future cost-of-living adjustments for retirees and food stamp recipients and rewrite other laws involving payments to the needy and jobless.

THE BUDGET would move swiftly into surplus with any substantial reduction of unemployment or inflation, Kirkland noted. Thus, "if unemployment were one million less in 1982, the proposed budget would be in balance."

But the budget assumption is that the unemployment rate will climb from December's 7.4 percent to 7.7 percent in the final quarter of this year, and that the inflation rate will be relatively unchanged.

Carter's budget message recommended against the type of stimulus programs that have spurred economic growth during past recoveries from recessions. The inflationary dangers are too great, he said.

The proposed budget calls for outlays of $739 billion, a real increase of about 1 percent after inflation adjustment. The projected deficit would be about half the estimated deficit for the current fiscal year.

DEFENSE SPENDING outlays would rise more than 4 percent in constant dollars—to $184.4 billion, and the projection for future years is for annual increases of 5 percent.

(Continued on Page 7)

Industrial Revival Tied To Coordinated Plans

AFL-CIO President Lane Kirkland renewed labor's call for a massive reindustrialization program for the United States —to be fueled by carefully targeted incentives rather than indiscriminate tax cuts for business.

Two million manufacturing jobs have been wiped out during a decade of erosion of the nation's industrial base, Kirkland said. Yet there is still no "coherent national policy" designed to reverse "this ominous trend."

Kirkland and other participants in a two-day conference sponsored by the AFL-CIO Industrial Union Dept. challenged the "supply-side" economic theory that prosperity and industrial rebirth will stem from investment funds generated by across-the-board income and business tax cuts.

THIS TAX CUT prescription, Kirkland noted, is coupled with insistence on a reduced role for government. The fate of industries and regions that are experiencing economic difficulties would be determined by a supposedly competitive marketplace.

The trade union movement sharply dissents from such reasoning, Kirkland stressed.

"We just don't believe that you can write off major industries in this country without paying for it dearly in the future," he said.

"Nor do we believe that whole cities and regions of America can be allowed to decay, while other regions prosper like Arab sheikdoms, without serious social and economic consequences."

AMERICA NEEDS a diversified industrial base, Kirkland insisted, and that requires a coordinated national policy shaped with the involvement of labor, industry and the public. Such targeted economic planning, he said, is "a common thread" of nations with the most impressive industrial growth.

Kirkland challenged the conservative contention that burdensome taxes have caused a long-term slowdown in U.S. economic growth.

In fact, he retorted, U.S. taxes are proportionately less than in most countries with higher growth rates.

Untargeted tax cuts, such as proposed changes in depreciation writeoffs, can be counter-productive as well as wasteful, Kirkland warned. One "perverse" outcome of such a step could "accelerate the movement of industries and jobs away from older regions of the nation."

TAX INCENTIVES must be designed to achieve specific objectives that fit into

(Continued on Page 7)

Year-End Tally Puts Jobless Rate At 7.4 Percent

At the end of 1980, 7,785,000 Americans were unemployed—1.5 million more than in December 1979, the Bureau of Labor Statistics reported. Adult men accounted for two-thirds of the increase.

The December jobless rate of 7.4 percent was one-tenth of 1 percent below the November level. In December 1979, the unemployment rate was 6 percent.

The total labor force, 105 million, was down 218,000 in December from the previous month, and total employment was down 57,000 to 97.2 million while unemployment was down 161,000. Thus, the slight improvement in the unemployment situation was due mainly to a drop in the labor force.

Unemployment for the year averaged 7.1 percent, about one out of every 14 American workers, compared with the 5.8

(Continued on Page 7)

AFL-CIO Urges Congress to Act On Auto Crisis

The AFL-CIO asked the new 97th Congress to move swiftly on legislation to assist the import-battered automobile industry and broaden trade adjustment assistance for workers.

Both measures passed the House in the last Congress but died with adjournment. They should be revived as part of a "package of remedies," AFL-CIO Research Director Rudy Oswald urged at Senate hearings.

THE HEARINGS, by a Senate Finance subcommittee, stem from a promise made last December after an end-of-the-session filibuster threat kept the Senate from acting on a House-passed resolution authorizing negotiations with Japan for a temporary limit on automobiles exported to the United States.

(Continued on Page 2)

Labor, Nation Join Tribute To Slain AIFLD Workers

By James M. Shevis

The nation and its labor movement bade sad farewell to Michael P. Hammer and Mark D. Pearlman, and resolved to continue their struggle to improve the welfare of El Salvador's impoverished campesinos.

"We will not forget this sacrifice. We will not abandon their work," Secretary of State Edmund S. Muskie told mourners at a funeral mass for Hammer at Fort Myer, Va., just outside Washington. Hammer, an Air Force veteran, was buried with full military honors at Arlington National Cemetery, less than a mile from the State Dept. and AFL-CIO headquarters with which he worked.

Hammer, 42, and Pearlman, 36, were staff representatives of the American Institute for Free Labor Development, an international arm of the AFL-CIO. The two were gunned down, along with the head of El Salvador's agrarian-reform program, as they sat in a hotel cafe in San Salvador,

"The just man, though he die early, shall be at rest. . . ."

—Old Testament reading,
at Michael Hammer's funeral

the capital of that Central-American country.

AIFLD's executive director, William C. Doherty, Jr., announced the posting of a $50,000 reward offer for information leading to the arrest and final conviction of the murderers of the two Americans and Jose

(Continued on Page 3)



MUSICIANS PICKET Walt Disney Studios in Los Angeles in support of their strike over the issue of reuse payments for filmed programs on television. The AFM strike against the motion picture and film producers is in its 25th week. The Musicians are seeking a fairer share of payments from the industry. Negotiations were continuing.

Labor Urges Congress to Act On Trade Aid, Auto Talks

(Continued from Page 1)

When the measure was sidetracked despite a test vote that showed it would easily have passed, Sen. John C. Danforth (R-Mo.) promised that the trade subcommittee he would head in the new Congress would hold hearings before Inauguration Day. And Sen. Robert Dole (R-Kan.), the new chairman of the full Finance Committee, said he would try to clear any legislation the panel approved for Senate floor action by mid-February.

Both Oswald and Industrial Union Dept. President Howard D. Samuel stressed the extent to which a cutback in auto production ripples through the entire U.S. economy.

IN ADDITION to the auto workers on the assembly lines, Samuel noted, auto-related job losses have hit hundreds of thousands of workers "who produce the steel, rubber, fabrics, wiring, electrical equipment, glass, aluminum and other materials and components that go into finished automobiles and trucks."

The lost jobs mean less tax revenues, Oswald added, along with higher unemployment compensation outlays and eventually greater welfare costs. "The impact also spreads to the rest of the community," he said. Thus, Michigan had to furlough 1,800 state employees because of a severe revenue drop "directly related to the auto crisis."

The union witnesses pointed to both import restrictions and domestic content requirements imposed by much of the world to benefit their domestic auto industries.

But the United States has "virtually no tariff on cars," Oswald noted, and U.S. auto producers are expanding operations abroad rather than in the United States to comply with requirements imposed by other nations.

Samuel welcomed a new interpretation by the Justice Dept. that the President does in fact have the constitutional authority to enter into negotiations with a foreign government to seek import restraints, apparently reversing the department's earlier concern that this might violate antitrust laws unless Congress specifically allowed it. And he noted the apparent support expressed by Commerce Sec.-designate Malcolm Baldrige earlier this month.

SUPPORT FOR negotiations with Japan also came from outgoing Transportation Sec. Neil Goldschmidt, who on Jan. 14 released a study by his department concluding that continued inroads by foreign cars in the U.S. market will mean the loss of an additional 500,000 manufacturing jobs over the next 10 years.

Oswald told the Senate panel that the AFL-CIO considers the adjustment assistance program a necessary part of overall trade policy but not as the answer to import problems.

The best step, he stressed, is to prevent the loss of jobs in the first place.

But because jobs have been lost and are being lost, Oswald said, the adjustment assistance program must be made more adequate and more equitable. A key grievance has been the failure of the current program to cover job losses among workers who make components or who provide related services.

OSWALD URGED revival of legislation the House passed in the last Congress in "an attempt to correct some obvious injustices in the law."

The legislation is needed and should be quickly enacted, he urged. And Congress should further "direct the President to negotiate immediate import quotas for the importation of automobiles and of auto parts."

Public Broadcast Stations Pressed On Programming

The AFL-CIO Dept. for Professional Employees has urged that public broadcasting be required to use the money it receives from tax revenues to "support innovative types of programming which are unlikely to be underwritten by corporate sponsors."

The DPE board, meeting under the chairmanship of Dept. President Al Shanker, also recommended that officers and members of AFL-CIO unions be actively encouraged to join the governing and advisory boards of public broadcasting stations "so that the views of labor will be considered in the formation of policies for those stations."

The board, which meets quarterly, also received a report on various projects administered by the Labor Institute for Human Enrichment, Inc., a non-profit foundation created by the department. The institute now spends $1 million a year on programs linking working people and their families to arts activities, adult education and professional training.

IN ADDITION, the department adopted a statement on immigration policy proposing reforms in the existing system of admitting non-immigrant aliens into the United States for professional and technical employment. Too often, the statement said, such aliens are admitted for work that could be performed by American workers. The department's proposals are being presented to the Select Commission on Immigration & Refugee Policy, which is beginning to draft its recommendations to the President and Congress.

Several board members, who recently visited Europe under department auspices, described how unions in Sweden, England and West Germany are coping with the effect of rapid technological change on employment and the workplace. The trip was co-funded by the German Marshall Fund of the United States. DPE Director Jack Golodner said the department plans a major conference next year on international experiences with technological change.

Flight Attendants Win Key Gains in Braniff Contract

The Flight Attendants ratified a new two-year agreement with Braniff International providing for a wage increase of about 25 percent over the duration of the contract.

The pact provides for three salary hikes over the next two years as well as two cost-of-living adjustments. Differential pay for extra duties such as night and galley work also is included. Pay for special qualifications, such as speaking a foreign language, is increased substantially.

The new contract also provides for extra pay on holidays, a trend established by the union with United Air Lines. The agreement also provides for company-paid personal time off.

The pact, reached 23 days before expiration of the old agreement, improves the retirement outlook for the 2,900 Braniff flight attendants affected by its terms. The contract maintains the existing savings plan, in which both flight attendants and the company contribute, and establishes a company-paid, defined benefit plan. Braniff thus becomes the first major carrier in the industry with two retirement plans to which the company contributes and which are not offset by the other.

Another provision in the contract binds any successor or merged company to the agreement. AFA President Linda A. Puchala pointed out: "With many changes occurring within Braniff, as well as the possibility of a merger with Eastern Airlines, the flight attendants can be assured their rights will be completely protected."

Prices in '80 11.7% Above Year Earlier

Wholesale prices rose six-tenths of 1 percent in December, the same as in November, pushing the government's producer price index for finished goods up 11.7 percent from a year earlier.

The over-the-year change was slightly less than the 12.6 percent rise posted in 1979, Commissioner Janet L. Norwood of the Bureau of Labor Statistics told the congressional Joint Economic Committee, because the rates of price increase for finished energy goods and consumer foods decelerated. However, she noted that non-energy items increased more in 1980 than in the previous year.

ENERGY PRICES rose 1.6 percent last month, with gasoline prices up 1.5 percent and heating oil up 1.9 percent, BLS reported, the second month in a row that they have increased by more than 1 percent. Some economists have predicted that rising energy prices will be the key inflationary problem this year, and Norwood told the congressional panel:

"The fact that energy prices have accelerated significantly in recent months, after several months of moderation, bears watching. Although these prices are not now increasing at the levels registered late last year and early in 1980, the magnitude and duration of changes in energy prices in the coming months will be an important factor in the inflationary climate for 1981."

The rather moderate December rise in wholesale prices was assisted by a decline of four-tenths of 1 percent in food prices, including an 18.5-percent plunge in sugar prices. Prices for meat, poultry, and fish also dropped—by amounts ranging from 6.8 percent for pork to one-tenth of 1 percent for beef and veal—and fresh fruit prices dropped 4 percent.

But there were large increases for fresh and dried vegetables, up 4.7 percent; eggs, up 2.6 percent, and milled rice, up 4 percent.

THE INCREASE in food prices that the Agriculture Dept. has predicted has not yet begun to show up in the producer price index. The department expects food prices to rise about 1 percent a month this year.

Food prices declined in December at all three stages of processing—finished, intermediate, and crude. But prices for non-food finished items rose nine-tenths of 1 percent, after rising seven-tenths of 1 percent the month before.

OSHA Issues Revised Policy On Cotton Dust Respirators

The Occupational Safety & Health Administration has issued a new cotton dust respirator policy that requires workers to wear respirators only for as much time each workday as is necessary to keep their exposure within federal limits.

The new policy replaces an earlier respirator provision in OSHA's cotton dust standard, which was vacated after a 75-day administrative stay that ended Dec. 15.

OSHA SAID the stay became necessary after widespread misunderstanding developed in the textile industry on how the respirator regulation should be implemented. Agency officials said many workers were being burdened with unnecessary respirator wear while others were not being fully protected against the cotton dust hazard—the debilitating brown lung disease and related respiratory illnesses.

The new respirator policy resulted from a series of meetings involving officials of OSHA and the National Institute of Occupational Safety & Health as well as union and industry representatives.

After issuing the new policy, OSHA extended the stay an additional 30 days to allow workers and employers in the textile industry to become familiar with the policy's provisions by the end of January.

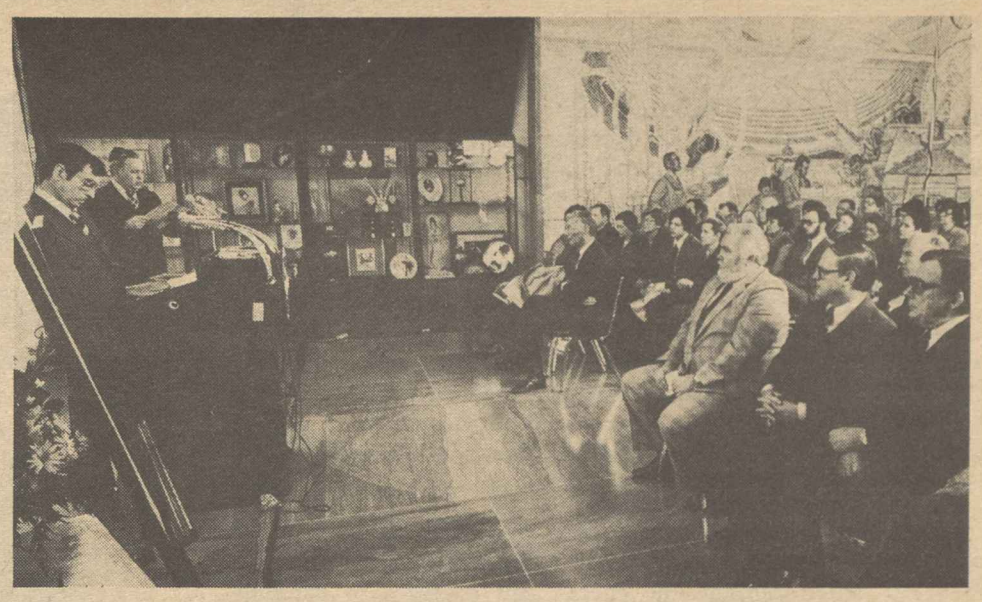
IN EXPLAINING the provision, Assistant Labor Sec. Eula Bingham noted that workers may only have to wear respirators part-time during an eight-hour shift depending on the volume of cotton dust in the workplace atmosphere.

Respirator use will be required until Mar. 27, 1984, when employers must have fully effective engineering and work practice controls in place.

Bingham, who heads OSHA, said that respirators "are not the solution to the dangers posed by cotton dust." But until employers meet the workplace air quality provisions through the installation of engineering controls, "respirators currently offer the best alternative protection," she said.

THE FEDERAL cotton dust standard provides for graduated exposure limits in various segments of the cotton processing and textile industry. Over an eight-hour workday, it limits exposure to 200 micrograms of lint-free respirable cotton dust per cubic meter of air in yarn manufacturing processes; 500 micrograms in non-textile industries, and 750 micrograms for slashing and weaving.





FINAL HONORS for two representatives of the AFL-CIO's American Institute for Free Labor Development murdered in El Salvador drew hundreds of their friends, colleagues, and sympathizers at separate services for them. At left, Vice President Walter Mondale and Secretary of State Edmund Muskie were among those who crowded into Memorial Chapel at Fort Myer, Va. for a funeral mass for Michael Hammer of Potomac, Md. At a memorial service at AFL-CIO headquarters for Mark Pearlman of Seattle, officials included AIFLD Executive-Director William C. Doherty, Jr., seated next to Labor Sec. Ray Marshall, and Federation President Lane Kirkland. Muskie declared renewed U.S. support for AIFLD's land-reform efforts in El Salvador in remarks at the Hammer service.

Nation, Labor Mourn Slain AIFLD Workers

(Continued from Page 1)

Rodolfo Viera, 43, director of the El Salvadoran government's Institute for Agrarian Transformation.

Viera, who also headed the Salvadoran Communal Union, a peasant-farmer group organized with AIFLD's help, sought to carry out a sweeping land-reform project designed to give stability to El Salvador by turning over farmland to the country's landless poor.

At the funeral mass for Hammer, Secretary of State Muskie observed that "Mike gave his life for his country and the service of the American labor movement. He was making solidarity a reality by helping workers in other countries build stronger institutions and better lives. Our government supported his work, and we commit ourselves to it once again in his memory."

AT A MEMORIAL service for Pearlman at AFL-CIO headquarters, AIFLD's Doherty declared that the three murdered men had not died in vain.

"Despite all the problems in El Salvador, there are today thousands of campesinos (peasant-farmers) living just a little bit better" because of the efforts of Hammer, Pearlman, and Viera to help them get their own plots of land, Doherty observed.

"When they get clear title to the land—as surely they will in the near future—this will be a fitting memorial" for the three, he said. As AIFLD's representatives, Hammer and Pearlman advised the El Salvadoran government on new regulations to implement its land-reform program, particularly the thorny legal problems involved in conveying titles to the peasants.

Pearlman, whose family requested that he be buried in his home city of Seattle, was an "amiable, affable, dedicated, and brilliant young man," who could have chosen the life of a comfortable lawyer in California, where he worked before going to El Salvador, Doherty said. Instead, he opted for a life of involvement in behalf of the poor, the AIFLD official said.

Turning to Rabbi Morton Kanter, who officiated at the service, Doherty declared: "Mark was a man, a real man. I believe, rabbi, in Yiddish you have an expression that summarizes such a person. He was a mensch."

TRIBUTES TO Pearlman and Hammer poured in to AFL-CIO headquarters from trade unionists around the world. Histadrut's Sec. Gen. Yerucham Meshel's message was typical. "We are deeply shocked by the brutal, senseless assassination of your two good people," the Israeli labor leader wired. "We know how committed Hammer and Pearlman were to promoting development and reform in Latin America."

Attending the service for Pearlman were AFL-CIO President Kirkland, Sec.-Treas. Thomas R. Donahue, Labor Sec. Ray Marshall, Sec.-Gen. Alejandro Orfila of the Organization of American States, U.S. Ambassador to El Salvador Robert E. White, and representatives of the international labor and diplomatic community.

More than 300 friends, relatives, and sympathizers crowded into Fort Myer's Memorial Chapel, just across the Potomac River from the Lincoln Memorial, for the funeral mass that preceded Hammer's burial.

IN A EULOGY delivered in both English and Spanish, Rev. John M. McCormick described Hammer as "a martyr who died for the cause of the poor and the oppressed." A close friend of the Hammer family, the homilist added:

"He gave his blood because he loved people, and that is why the reforms he brought about avoided all extremisms. His land reforms were truly moderate and democratic. He loved the simple, humble campesinos of Latin and Central America and especially, in the more recent years of his life, of El Salvador."

Hammer, born in Paris of German parents, spent his early youth in Ecuador. He served four years in the U.S. Air Force after becoming a naturalized American citizen, and for a time was stationed in Spain, where he met his wife, Magdalena. A graduate of Georgetown University's School of Foreign Service, he spoke five languages and had spent much of his 17-year AIFLD career in Latin America promoting land reform.

Archbishop James A. Hickey of the Washington archdiocese officiated at the Hammer funeral service, assisted by eight concelebrants, including Msgr. George C. Higgins.

Representatives of the Carter and incoming Reagan Administrations joined Kirkland, Donahue, other Executive Council members, and representatives of the international labor and diplomatic worlds in paying homage to Hammer.

Vice President Walter Mondale; Pat Derian, assistant Secretary of State for Human Rights & Humanitarian Affairs; William G. Bowdler, assistant Secretary of State for Inter-American Affairs, and Ambassador White represented the Carter Administration.

Representing the new Administration were Georgetown Prof. Jeane J. Kirkpatrick, Reagan's nominee as ambassador to the United Nations, and Richard V. Allen, foreign policy adviser to President-elect Reagan.

THE LARGE delegation of international labor leaders included Frank G. Walcott, president of the Barbados Workers Union; Helcio Maghenzani of Brazil, Inter-American representative of the Postal, Telephone & Telegraph International; Jose Vargas, president of the Venezuelan Confederation of Workers; Sec.-Gen. Dean Butcher of the Panamanian Confederation of Workers, and Juan Jose Del Pino, general secretary of the Inter-American Regional Organization of Workers.

Also attending were OAS Sec.-Gen. Orfila; Henry Geyelin, president of the Council of the Americas, and Peter Grace, president of Grace Co., and chairman of AIFLD's board of trustees.

A memorial mass for Hammer was held Jan. 15 at Georgetown University's Dahlgren Chapel. Timothy S. Healy, S.J., president of the university, was the principal celebrant.

Study Refutes Cost Criticism Of Prevailing Wage Laws

State prevailing wage laws do not inflate the cost of public construction, a study by the Center to Protect Workers' Rights concludes.

The study examines the costs of new school construction in states with and without prevailing wage laws.

Some 39 states currently have "little Davis-Bacon" laws in force that require workers on state-funded construction projects be paid no less than locally prevailing wage rates. The state laws are patterned after the Davis-Bacon Act that provides payment of prevailing wages on federally funded construction.

THE STUDY used separate construction cost data for elementary and secondary schools, ranking the 48 contiguous states in order of cost per classroom of new secondary school buildings. These costs were adjusted for inflation and the averages for each state were also adjusted by a state price index to compensate for the general effects of interstate price differences.

Of the 20 states with the lowest per classroom average costs, ten have fully applicable prevailing wage laws. Of the 20 states with the highest costs, nine have wage laws which only partially cover or are not all applicable to school construction. The study used additional statistical techniques to analyze school cost factors.

THESE FACTORS included the general level of costs and prices in each state, the degree of urbanization in each state, climate and the presence or absence of a state prevailing wage law.

The additional analysis confirmed that the factor of prevailing wage laws had no significant effect on costs, but that the first three factors were statistically significant.

This finding refutes a previous study prepared under the auspices of the Associated Builders & Contractors, an organizations of non-union contractors.

President Robert A. Georgine of the AFL-CIO Building & Construction Trades Dept. said in a preface to the report that "state prevailing wage laws continue to perform important functions in protecting the interests of workers, contractors and taxpayers. . . . They ensure that the economic power of the government is not used to undermine the labor standards of the local community."

Georgine, who also is president of the center, pointed out that contractors benefit from prevailing wage laws which help eliminate cut-throat competition based on substandard wages.

Copies of the study are available from the Center to Protect Workers' Rights, 815 Sixteenth St., N.W., Room 603, Washington, D.C. 20006, at $2.50 each.

Court to Review Bargaining on Closing Case

The Supreme Court has agreed to examine whether an employer's decision to close a supposedly unprofitable operation is a mandatory subject for collective bargaining.

The court said it will consider a new standard announced by the 2nd Circuit Court of Appeals last July. The appeals court held that the bargaining duty extends to a company's decision to close part of its operations if such bargaining "could reasonably be expected to modify or reverse" management's decision to close.

THE CASE involves the First National Maintenance Corp., a Brooklyn, N.Y., company that supplies housekeeping and maintenance services and workers to nursing homes, and District 1199, the health care division of the Retail, Wholesale & Dept. Store Union.

When First National closed its unprofitable operations at the Greenpark Care Center nursing home in 1977, the union charged that it had not been notified of the layoffs. District 1199 had been certified as bargaining agent only two months before the July 31 closing

THE ONLY conversation with a union representative over the decision was on July 28, when a union officer called the company, and asked it to "stay on" at Greenpark. The employer said that there was "nothing to discuss."

The National Labor Relations Board ruled in favor of the union, and ordered the company to reinstate 35 affected workers. It also ordered the employer to bargain about the decision to close, and if no agreement to resume operations is reached, to bargain over the effects of the closing and establish preferential hiring for the terminated employees at other operations. It also granted back pay for the discharged workers.

When First National appealed, the 2nd Circuit Court affirmed the NLRB order. Over the objections of the NLRB, the Supreme Court now has agreed to hear the case.

In affirming the NLRB order, the appeals court ruled that the closing was a mandatory subject of bargaining, affecting the employees' terms and conditions of employment.

Essence of Democracy

ALL AMERICANS can take pride in the inauguration of Ronald Reagan as the 40th President of the United States, including the nearly 35 million who cast their ballots for Jimmy Carter last November.

The invariably moving ceremony at the Capitol symbolizes the essence of democracy—the peaceful transfer of power following a free election.

Some of the trappings of democracy have been borrowed by countries where political succession is handed down by a small clique and political changes come from the barrel of a gun. But the people in those countries know the difference. It is not just for its material prosperity that the United States has been a beacon for the oppressed people of the world.

IN OUR INAUGURAL ceremony, participation by the legislative and judicial branches of our government reminds us that power is shared through the checks and balances so carefully drawn up by the nation's founders. But while a president may not always be able to get a bill through Congress and may have to bow to a court order, his actions can touch off world-shaking events.

It is this awesome responsibility that will pass from President Carter to President Reagan at noon on the 20th of January.

May he bear it well, in the best traditions of his predecessors as President of the United States.

And whether it be in the next presidential election or in some subsequent election, a new Administration will take office and the reins of government will again be handed over.

As President Ford said four years ago in a graceful final message to Congress, "The people have spoken; they have chosen a new President and a new Congress to work their will." And to his successor, he wished "the very best in all that is good for our country."

A First Priority

IF THE economic assumptions of the budget submitted by President Carter hold up, it is grim news for America's workers and for the millions of young people who will be entering the workforce in the years to come.

The unemployment rate, now 7.4 percent, is projected to climb to 7.7 percent by the final quarter of this year and to average 7.5 percent for the whole of 1982. Not until the end of 1986 would the jobless rate even dip below 6 percent.

These are projections, but they do not have to take place and should not be allowed to come about.

AS THE BUDGET itself explains: "The economy and the budget are interrelated. . . . Both budget outlays and the tax structure have substantial effects on national output, employment and inflation."

The unemployment rate can and must be brought down. That should be a first priority for a new Administration and a new Congress.

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'It's Your Turn!'



On Commerce Dept.'s Goofs

Poor-Mouthing Corporations Shift Burden to Taxpayers

By Gus Tyler

IN THEIR continuing campaign to have their taxes reduced, American corporations have been pleading poverty. They cite the low level of investment in factories and equipment as proof that American business is not sufficiently affluent to do its job as the nation's employer and innovator.

To make their case, corporate advocates have regularly quoted the figures issued by the Commerce Dept.'s Bureau of Economic Analysis in publications referring to "Expenditures for New Plant and Equipment."

It now appears that these highly authoritative 'facts" are not facts at all. They are only part of the truth that, standing by itself, becomes a total untruth. For instance:

IN 1972, the bureau declared that $88.4 billion had been spent for investment in plant and equipment. It now turns out that a more accurate reading shows that, for the same year, the investment figure should read $120.2 billion, an error of 36 percent.

The source of the new information is—believe it or not—the Bureau of Economic Analysis itself. It is now updating its data—not by uncovering new facts but by a reinterpretation of old facts.

But 1972 was not the only year of error. Every year since has followed the pattern. The only difference between 1972 and 1977 (the last year on which we have statistics) is that as time went by the error got bigger.

In 1972, the error was 36 percent; in 1973, 38 percent; in 1974, 40 percent; in 1975, 40 percent; in 1976, 42 percent; and in 1977, a whopping 46 percent.

ALL THE ERRORS are one-sided: they all understate the sums put into plant and equipment. The reason is that through all those years there were certain categories of investment in businesses that just were not included.

About one-third of the sum omitted from the calculations was money that went into commercial real estate, so that if a company bought land on which to build a factory, the purchase of the land was not included as an investment.

The other two-thirds of the error, however, was the omission of investments that went very clearly both for factories and for equipment. These plants and machinery were bought by banks and then leased to companies, with neither the banks nor the companies reporting them as investments in production.

The banks did not include these investments as "investments" because they were merely renting them to others—like a car rental company. The corporations did not report these investments as "investments" because the companies were merely leasing from the banks. And so between the two of them, neither recorded any investment although, as a simple matter of fact, more than $100 billion a year was being invested in plant and equipment through the joint efforts of these financiers and their "renters."

Based on these original errors, corporations have been able to persuade Congress that they deserve tax breaks—which they have been getting over the years in ever greater chunks. And as a result of that, you—the individual taxpayer—have been paying more in taxes.

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Human Rights Battle Seen 'Far From Over'

The struggle for human rights overrides all differences of color, nation or language.

Those who hunger for freedom, who thirst for human dignity, and who suffer for the sake of justice are the patriots of this cause.

The battle for human rights—at home and abroad—is far from over.

If we are to serve as a beacon for human rights, we must continue to perfect here at home the rights and values which we espouse around the world: A decent education for our children, adequate care for all Americans, an end to discrimination against minorities and women, a job for all those able to work, and freedom from injustice.

I intend to work as a citizen, as I have worked as President, for the values this nation was founded to secure.

—From President Carter's farewell address to the American people, Jan. 14, 1981.

Attacking Joblessness, Inflation

Full Employment Goals Keyed To Effective Economic Policy

The following is excerpted from testimony by AFL-CIO Research Director Rudy Oswald to the Senate Committee on Banking, Housing & Urban Affairs, Jan. 8, 1981.

THE AFL-CIO is deeply concerned about the effect of current economic conditions on workers and their families who are among the chief victims of unemployment and inflation.

The unemployment situation is serious—and it is likely to get worse. Approximately 8 million people are unemployed by the official count. Another 1 million "discouraged workers" have stopped looking for work and therefore don't appear in the official unemployment count. And another 4 million workers are on part-time schedules because of the recession.

The U.S. economy began to deteriorate seriously a year ago in January of 1980. However, since the recession of 1973-75, unemployment never got below 5.7 percent—compared to unemployment rates of less than 5 percent prior to the recession and of less than 4 percent in the 1960s. Since January a year ago unemployment has gone up by 1.3 percentage points, representing an additional 1.5 million workers without jobs.

For the full year 1981, many economists are forecasting an unemployment rate of 8-8.5 percent—and such an average means that unemployment will be even higher in the course of the year, perhaps up to 9 percent or even higher during 1981.

WORSE YET, the total number of people hit by unemployment in the course of a year is substantially higher—in contrast to the number unemployed in one particular month. Since 1959, the total number of workers experiencing unemployment during a year has been 2.7 to 4.2 times the number who are unemployed at any given monthly survey date.

With more unemployment and with shorter hours for those who have jobs, with little more than three-fourths of the nation's industrial capacity in use, America is wasting huge amounts of its human and natural resources, and America is losing hundreds of billions of dollars worth of unproduced goods and services.

Inflation continues to wash away a substantial part of the buying power of workers' paychecks. Workers and their families have suffered dramatically during this current inflation. The buying power of each hour's work has deteriorated.

Today, the average American worker is worse off than a year ago, and nearly 10 percent worse off than two years ago. This loss in consumer buying power and the resulting slowdown in consumer buying adds further downward pressure on the economy.

Inflation is not the result of excess demand. Food, energy, medical care, housing and interest rates are the key sources of our persistent inflation. They account for 60 percent of the average family's spending. And these are areas where labor costs have little or no impact on prices.

Over the 12-month November period, the consumer price index rose 12.7 percent with a 21 percent increase in gasoline prices. Food and beverage prices were up 12.6 percent, reflecting a poor crop year and large export sales. And housing was up 13.7 percent, reflecting a short supply and rising interest rates.

Unfortunately, the outlook over the next few months is for continual worsening of inflation, with food prices continuing to rise sharply, housing further affected by high mortgage interest rates, and oil prices reflecting the newest round of OPEC price changes.

THE AMERICAN ECONOMY has too often been weakened over the past quarter of a century by excessive, repeated, and misguided reliance upon tight money and high interest rates to combat inflation. These restrictive monetary policies have been followed again and again by declines in homebuilding and by economic slowdown or recessions in 1959-60, 1969-70, 1973-74 and most recently 1980.

The Federal Reserve policy bears a large part of responsibility for these policies, but Congress and the Executive Branch have also failed to define clearly and to speak out forcefully on the monetary policies of the nation's central bank. And the tragic result of these restrictive monetary policies has been more and longer unemployment for America's working people and the loss of hundreds of billion of dollars in GNP.

The best way to deal with unemployment in a non-inflationary way is by targeted job stimulation programs, rather than by general tax cuts or tax incentives. Each dollar of federal funds used on direct government employment programs has two-to-four times more job-creating potential than a dollar of tax cuts, and direct job creation programs can be directed to the areas and the individuals where the need is greatest.

The AFL-CIO opposes tax cuts which would waste needed revenue by rewarding those sectors of the economy not suffering from high unemployment and tax cuts which could stimulate speculative excesses and imbalances that contribute to inflation problems.

The AFL-CIO believes a totally new reindustrialization program would provide the new direction for effective governmental relations with the private sector.

The AFL-CIO has recommended economic policies that would directly attack the basic causes of inflation. Full employment would minimize the loss of national product, income and savings.

Instead of resorting to tight money-high interest rates policies leading to high unemployment, selective credit regulation should be used at appropriate times to hold down interest rates.

Key Strike Issue

Performers Share Revenues In Landmark Film-TV Contract

COMPENSATION for on-the-air performances that are resold for the pay television and home video market is a landmark gain in the new three-year contract between the unions representing the performers and the TV industry.

Executive Sec. Sanford Wolff of the Television & Radio Artists said that resolution of the issue was critical to settlement in the recent negotiations because new technology has opened the breakthrough to pay television and home video. He pointed out that the new contract also assures that performers will be fairly paid for performances produced on discs and cassettes for use on home playback equipment.

Agreement on those points, Wolff said, was the key to ending the three-month strike by AFTRA and the Screen Actors Guild which had delayed production of 1980-81 prime time programs.

Questioned by reporters on the network radio interview Labor News Conference, Wolff said that without the new guarantees, performers "would find themselves in competition with themselves," and that "repeated use of material would stultify new employment."

WOLFF said that the new contract, which also produced substantial improvements in health, dental and other areas, is well within the financial range of the broadcasting industry. He noted that entertainment is not as heavily affected as production and service industries by the sluggish economy because of the stiff competition for audiences.

Unemployment is almost "a way of life" among performers, he said, and only a little more than half of the 100,000 members of SAG and AFTRA are able to make their entire living as professional performers, without other jobs to supplement their incomes.

Washington Window

By Press Associates, Inc.

THE ABILITY to imprint tens of thousands of electronic components and complex circuits on chips of silicon the size of a cornflake has been quietly ushering in a second industrial revolution.

The microelectronic revolution—comparable to the invention of the wheel and the steam engine—carries the potential for both great progress and great peril. On the one hand, it offers the promise of higher productivity, cheaper and better products, and more leisure time. On the other hand, it threatens to create large-scale, permanent unemployment, degradation of skills and new work hazards.

WORKING PEOPLE and their unions, along with government, will be faced increasingly with choices regarding how the new technology is used—whether for private profit and competitive advantage or to benefit society as a whole.

Whatever direction it takes, microelectronics are here to stay, as noted by two recently published studies—one sponsored by the International Labor Organization and the other by Worldwatch, a private research organization.

The new technology began with the birth of the transistor in 1947, followed by the transistorized computer, or semiconductor, in 1959. It came of age with the development of the silicon integrated circuit computer in 1964.

Only in the past five years, however, has the technology really begun to take off—its pervasiveness transforming electronics "into a convergence industry, playing a role similar to that of the machine tool in the 19th Century," writes J. Rada, author of the 109-page ILO study.

Both studies predict that microelectronics will eliminate more jobs than it creates during the 1980s. Some jobs will be created in the industries that manufacture and program computers and other electronic goods, but jobs are likely to disappear in industries subject to computer-based automation.

Jobs also will be lost in firms that switch from the manufacture of mechanical goods to products based on electronics because electronic goods have fewer moving parts to produce and assemble. Colin Norman, author of the 63-page Worldwatch study, notes that 46,000 jobs were lost in the mid-70s as consumers began buying electronic timepieces made in the United States and Japan.

Workers in offices and service occupations will be the most "profoundly affected in the short run," warns Rada.

IN THE EARLY 1980s, states Rada, "office automation will start to accelerate and is likely to cause major labor displacement. The workers displaced will be mainly women, at a time of increasing female and general white-collar militancy." He adds that "the question of job satisfaction will be crucial precisely when automation of the office becomes possible."

In the long run, Rada predicts "jobless growth." He suggests various remedies including reducing the workweek, early retirement, or even "a more radical work-sharing scheme" in which the usual sequence of education, work and retirement could be alternated or combined. Other remedies include creating public employment in social services, health and education.

Norman puts top priority on "a need for advance warning, consultation and retraining of displaced workers when the new technologies are introduced."

He concludes that "a combination of revitalized employment policies, greater industrial democracy and new ways of distributing both the hours of work and the fruits of technological change are essential if the benefits of the microelectronic revolution are to be equitably shared."



KEY GAINS for the Television & Radio Artists and the Screen Actors Guild in their new pact with the television industry is the first-ever compensation for performances that are resold for the pay television and home video market, Executive Sec. Sanford Wolff, center, of AFTRA, said on Labor News Conference. Questioning him were Doug Harbrecht, left, of the Pittsburgh Press and Robert Cooney of Press Associates, Inc. The AFL-CIO produced network interview is aired weekly over the Mutual radio network.



PLAQUE HONORING Labor Sec. Ray Marshall is presented to the out-going Administration official by AFL-CIO President Lane Kirkland at a reception at AFL-CIO headquarters. Mrs. Marshall is at right.

Curbs Proposed on Noise, Chemical, Electrical Hazards

The Occupational Safety & Health Administration has announced a series of rules and proposals upgrading worker protections on noise, electrical hazards and toxic chemicals.

OSHA's new hearing conservation program was issued as an amendment to the old 1974 noise standard that limited worker exposure to 90 decibels, but which was seldom enforced.

The new program calls for hearing protectors, exposure monitoring, audiometric testing and training of some 5.2 million workers who are exposed to occupational noise levels exceeding 85 decibels. Construction and agriculture workers will not be covered by the program.

UNIONS HAVE been pressing for an improved standard to reduce noise levels to 85 decibels—and lower with the installation of engineering controls—since the mid-1960s.

AFL-CIO Occupational Safety Director George H. R. Taylor noted that the hearing conservation program is a step toward labor's goals, but termed it "only a partial solution to the problem." He said an effective and enforceable standard is still needed.

Even so, Taylor said that employer groups will likely file court challenges in an attempt to block implementation of the hearing conservation program.

Assistant Labor Sec. Eula Bingham, OSHA's out-going chief administrator, said the program will substantially reduce hearing impairment caused by excessive workplace noise.

She said the program will provide additional benefits by improving workplace safety, lowering absenteeism, reducing medical costs and workers' compensation claims, as well as bringing a possible reduction in cardiovascular illness.

BINGHAM STRESSED that the costs of the program would be fully justified by the "range of health, safety and financial benefits, and the magnitude of their impact on the quality of life for U.S. workers."

An OSHA study concluded that the cost of compliance would amount to about $53 per year for each of the 5 million workers covered by the program.

OSHA estimates that 2.9 million U.S. production workers are exposed to noise levels in the 90-decibel range and about 2.3 million are exposed above the 85-decibel level.

The federal safety agency said the final workplace standard covering electrical hazards is designed to "greatly simplify compliance by employers without reducing employee protection."

It calls for:

- Substituting detailed specification requirements of the National Electrical Code (NEC) with more general performance language.
- Deleting provisions of the NEC that do not apply to worker protections.
- Incorporating all other revelant NEC provisions into the OSHA standard.

Both the hearing conservation program and the electrical hazards regulation are scheduled to take effect in mid-April.

OSHA's PROPOSED toxic labeling standard would provide precise chemical identification and warnings on hazardous substances found in some 328,000 manufacturing facilities that employ more than 20 million workers.

"Workers have the right to know what substances they work with on the job, and today, many of them don't," Bingham said in announcing the proposal.

She noted that nearly 60 percent of the recorded occupational illnesses are traced to chemical exposure in manufacturing where a large segment of the workforce is employed.

The proposal would require manufacturers and importers of chemicals to evaluate their products to determine if they meet criteria for 17 physical and health hazards. If they are found hazardous, they must be appropriately labeled.

At AFL-CIO Reception

Ray Marshall Praised As Ally of Workers

Organized labor honored out-going Labor Sec. Ray Marshall for his efforts on behalf of America's workers and wished him well as he prepared to leave the government.

"Ray Marshall has been a man who has stood with us on every basic and important objective of the trade-union movement," Federation President Lane Kirkland said at a reception for the Secretary of Labor at AFL-CIO headquarters.

"He's fought with us. He's been our friend and our co-worker, come fair weather or foul. And we in the trade union movement have a tradition that we do not forget our friends."

Several hundred friends of Marshall in both government and the labor movement listened as he thanked them for their support during the past four years. He said that he intends to continue to "work for the things that we fought for" during the Carter Administration, whose labor record he called the best of any administration since Franklin Roosevelt's New Deal.

Vice President Walter Mondale, who also addressed the gathering, said that "the measure of a government that cares and responds to the needs of working men and women will be the record left by Ray Marshall."

Marshall, who plans to rejoin the University of Texas faculty in September, received a plaque from the federation acknowledging the "lasting debt" of American workers to the nation's 16th Secretary of Labor.

Marshall was an economics professor at the University of Texas from 1962 until he joined the Carter Administration in 1977. Between Jan. 20 and the time he resumes teaching, he plans to remain in Washington as a consultant to labor and union-supported research groups.

At a farewell news conference with reporters at the Labor Dept., Marshall summarized the Carter Administration's labor record, and talked about his expectations for the incoming Reagan Administration.

"My greatest accomplishment was in selecting an outstanding personal staff and making good subcabinet appointments," he said. About half of his subcabinet appointments went to Labor Dept. careerists, he said.

"My major disappointments were our failure to get legislation to control illegal immigration, to reform the National Labor Relations Act and the welfare system, and to improve our youth programs."

An early problem facing his successor, Labor Sec.-designate Raymond J. Donovan, will be the economy, Marshall said.

"That's going to be the toughest one. He'll have to become actively involved in the nation's economic problems as soon as he can. Inflation and unemployment are the most important, immediate problems," he said.

Marshall said that his biggest fears over the next four years focus on the President-elect's plans for massive tax cuts, introduction of a subminimum wage for youths, and efforts to weaken enforcement of some basic labor programs such as the Davis-Bacon prevailing wage law and the Occupational Safety & Health Act.

"The attitude I'm taking on all this is wait and see," Marshall said. "I learned long ago not to pay attention to what people say but what they do."

On charges that some federal job expansion efforts such as the Comprehensive Employment & Training Act are "failed programs," Marshall registered strong disagreement.

CETA is "a complex system and it ought to be allowed to continue to evolve," he said. "I'm absolutely convinced that CETA is a good investment for the country."

Film Made Available On Youth Job Projects

A film on successful youth employment projects is available free from the Labor Institute for Human Enrichment of the AFL-CIO Dept. for Professional Employees.

The production, which was underwritten by the National Football League Players Association, an affiliate of the Professional Athletes, shows how cooperative efforts between communities, schools and government have helped young workers complete schooling, gain job skills and find work.

Oil Union-Paperworker Merger Explored

The executive boards of the Oil, Chemical & Atomic Workers and the Paperworkers are holding separate special meetings during January to discuss a proposed merger.

The OCAW board, which met Jan. 12-13 in Denver, agreed to submit the merger plans to a special convention of the union's membership expected to be held in April.

The executive board of the UPIU will meet Jan. 29-30 to consider the proposals, which, if approved by the board, will also be submitted to the membership at a special convention.

NAACP Service Award Presented to Pollard

New York—Director William E. Pollard of the AFL-CIO Dept. of Civil Rights was given the NAACP's Outstanding Service Award.

Pollard, a member of the NAACP board of directors since 1972, was honored for his service to the association, including formation of a national ad hoc labor committee to raise funds for the organization. He was also active in the NAACP 1980 voter registration campaign.

Milwaukee OPEIU Local Wins Key Wage Gains

Milwaukee—More than 1,200 members of Office & Professional Employees Local 9 employed by Blue Cross/Blue Shield United here have ratified a three-year agreement prividing substantial wage gains.

The contract covering clerical and customer service employees, computer operators and senior trainers guarantees an 11 percent across-the-board increase retroactive to November 1980, 11 percent in 1981 and 10 percent in 1982, as well as 3-percent boosts every six months.

Mandatory overtime was abolished, and other contract gains included improved leave provisions, additional paid vacation and vision care benefits.

Labor News In Brief

Training Classes Open For Dock Workers

New York—A new program to upgrade the skills of long-term unemployed longshoremen and ease the shortage of operators of specialized pierside equipment has been started here by the Longshoremen and the New York Shipping Association. The jointly sponsored program is part of the ILA-NYSA collective bargaining agreement.

Some 30 ILA workers began classes in early January to learn to operate three types of special machinery widely used at container ship terminals to shift and handle large units of freight. The program is expected to affect a total of 560 union dockworkers in the port who are generally unemployed and are covered by a full-year guaranteed annual income provision under the contract.

The training program, the first of its kind here, is also expected to ease a portwide shortage of qualified drivers of pierside machinery. Previously, most training for drivers and other waterfront workers was done exclusively by stevedoring companies at their own facilities.

Memphis Union Revived At Nylon Net Plant

Memphis, Tenn.—The Furniture Workers won representation rights for some 300 employees of the Nylon Net Co., a firm that had forced out another union a couple of years earlier.

"These workers—almost 90 percent of them women—have come back into the trade-union family," UFWA President Carl Scarbrough observed. The Clothing & Textile Workers, which at one time had represented the workers, gave its blessing to UFWA in the campaign, Scarbrough said.

"It took a lot of courage for the people to withstand some of the vicious propaganda the company used," he said. "The company's tactics didn't work because these people remember what it was like to have union representation, and they're eager to gain those rights again."

Kirkland 'Disappointed'

Carter Budget Proposal Termed Short of Needs

(Continued from Page 1)

"There will be advocates for higher defense levels," Carter acknowledged, "but after careful review I do not believe that higher spending would add significantly to our national security."

Carter's most controversial domestic proposals involve changing the method of calculating cost-of-living adjustments for social security, government retirement and food stamp benefits.

He asked Congress to direct that the cost-of-living escalator for these programs be linked to an "alternative" consumer price index that downgrades the cost of housing and thus would show a lower rate of increase during periods when home-buying costs are soaring.

Further, federal retirees would receive only one cost-of-living adjustment a year, down from the twice-a-year adjustment now required by law. Congress last year rejected a proposal to change to a single adjustment.

The budget also proposes that Congress change the "trigger" for extended unemployment compensation during periods of high unemployment. The Administration last year sought to accomplish the change by administrative action, but a federal court upheld a challenge brought by the AFL-CIO and the UAW. The court agreed that the change usurped the legislative function.

FEDERAL EMPLOYEES, who have been regularly shortchanged on the "comparability" salary increases they are supposed to get each year, would be doubly hit by the budget proposal. First, the President asked that the comparability formula be rewritten to take into account "total compensation," including fringe benefits. Such a revision, he said, would reduce the comparability adjustment from a projected 13.5 percent to 8.6 percent for civilian employees. But in addition, he proposed that the increase be further cut back to 5.5 percent.

On taxes, Carter cautioned against "large inflationary individual income tax cuts." But he repeated earlier proposals for more generous depreciation allowances and investment credits for business, an income tax credit to offset the higher social security payroll taxes that took effect this year, and a "working spouse" tax deduction to lessen the so-called "marriage penalty."

However, business tax cuts would be retroactive to Jan. 1, 1981 while the individual tax cuts would not take effect until next year.

OBVIOUSLY, the key tax and budget decisions will be made by Congress and will inevitably differ from the specifics proposed by both the outgoing Carter Administration and the new Reagan Administration.

But the Carter budget, with its voluminous documentations and special analyses, will be the basic working document for congressional committees and the Congressional Budget Office.

It includes projections of the cost of government if present federal services and programs were continued unchanged. This is known as the "current services budget." And from that, it estimates the changes that would result from proposed legislation or from administrative action.

But all its figures are based on economic assumptions which the budget-writers readily concede "are subject to substantial margins of error."

THE UNCERTAINTY of economic projections has rendered virtually meaningless congressional attempts to mandate a balanced budget. Thus, last spring with Democrats and Republicans vying for credit, Congress adopted what was loudly proclaimed as a balanced budget for the current fiscal year, which began Oct. 1, 1980.

The latest projection is that the fiscal year will end with a deficit of over $55 billion—and the final tally in all probability will be at least several billion dollars different from even this late estimate.

Kirkland Ties Industrial Aid To Target Plans

(Continued from Page 1)

an overall reindustrialization policy, Kirkland urged. "Investment credits should only be available for increases in investment levels, and tax subsidies should be clearly targeted to needed industrial sectors and regions."

Kirkland stressed the importance of a National Reindustrialization Board, with labor, business and government representation, which would both set national goals and direct the activities of a financing agency empowered to make and guarantee loans. Also, "private pension funds should be permitted and encouraged" to participate in such financing arrangements "to support and expand industrial employment."

In contrast to targeted tax policies, Kirkland warned, "the only assured result of across-the-board tax cuts is that corporate cash flows will increase. Instead of undertaking greater rates of investment here in the United States, businesses may raise dividends, invest abroad or purchase other companies."

Jobless Rate 7.4 Percent For Final Month of 1980

(Continued from Page 1)

percent average of the preceding year.

Not counted in the jobless rate calculations is the number of so-called "discouraged workers" who take themselves out of the work force because they feel there are no jobs for them. Their number jumped to 1.1 million in the fourth quarter of 1980, up 100,000 from the previous quarter and nearly 300,000 over the year. A large proportion of these discouraged workers are women and teenagers, BLS said.

THE GOVERNMENT also revised its seasonal adjustment factors for 1980, placing the year's peak jobless rate at 7.6 percent, rather than a previously reported 7.8 percent in July. The 7.6 percent rate first occurred in May, and reappeared in July and October.

Since May, the unemployment rate has fluctuated between 7.6 and 7.4 percent.

"Overall, job gains in the latter half of 1980 have nearly recouped losses earlier in the year," BLS said in its December report, "although employment was still sharply down in manufacturing and construction."

THERE WAS little change in the jobless rates for major demographic groups in December. The rate for adult men fell to 6.2 percent from 6.4 percent the month before. For adult women, unemployment rose from 6.7 to 6.8 percent. For blacks, the rate remained unchanged at 14 percent. For black teenagers, however, joblessness went up from 36.6 percent to 37.5 percent.

While manufacturing employment increased by 65,000 in December, factory employment was still 780,000 short of its June 1979 high. Construction employment rose by 30,000 last month but was 250,000 below its January 1980 peak.



First Apprentice Standards Developed for Stage Actors

The first-ever apprenticeship standards for an occupation in the arts and entertainment industry have been developed by the National Joint Apprenticeship & Training Committee for Stage Actors.

The standards are the product of a joint effort of the JACT under a Comprehensive Employment & Training Act contract and the Labor Institute for Human Enrichment (LIFHE), the employment and training arm of the AFL-CIO Dept. for Professional Employees. The committee includes representatives of labor and management in the entertainment industry.

With the development of the new standard, stage acting has become the first occupation in the entertainment field to be federally certified as apprenticeable, DPE Executive Director Jack Golodner pointed out.

THE APPRENTICESHIP standards "are designed to meet the needs of the entry-level professional, that is, the man or woman who has already received some training at the student or amateur level and who is now taking his or her first step in a professional work environment," Golodner said.

Labor Sec. Ray Marshall called the new standards a "breakthrough for apprenticeship and a model for other occupations in the performing arts, or in any industry, where training is a vital job requirement."

Committee members formally presented the standards to Marshall after registering them with the Bureau of Apprenticeship & Training.

The standards include guidelines for selection, qualifications and responsibilities of apprentices; terms of apprenticeship; apprenticeship agreements; wages, hours and conditions of work; work processes and schedules; orientation to collective bargaining agreements; supervision and evaluation of apprentices; and other processes and requirements governing apprenticeship.

At the presentation ceremony, Frederick O'Neal, president of the Actors & Artistes and an AFL-CIO vice president, and Actors' Equity Executive Sec. Willard Swire praised the apprenticeship standards as a means of providing young actors a chance to receive adequate training. Actors' Equity is now working on putting the standards into active use, Swire emphasized.

LIFHE Apprenticeship Coordinator Patricia Porter pointed out that the institute is working to develop and register standards for other occupations in the arts, entertainment and the media.

STANDARDS have already been submitted to the Bureau of Apprenticeship & Training for the occupations of motion picture screen cartoonist and television graphics designer. Other committees will work on standards for optical effects camera operators and layout specialists, wardrobe supervisors and script supervisors.

The members of the Stage Actor JATC include Actors' Equity President Theodore Bikel, Swire, and Equity members Ruby Dee, Burt Reynolds, Jean Stapleton and Eli Wallach; Donald Grody, assistant director of the National Football League Players Association, and former executive secretary of Actors' Equity; Lloyd Richards, dean, and Earl Gister, associate dean of the Yale School of Drama; Michael Price, executive director, Goodspeed Opera House; William Putch, president, Council of Resident Theaters; and W. Duncan Ross, drama division chairman of the University of Southern California.

Steelworker Film Gives Picture of Union in Action

A new Steelworkers film about union democracy in action had its premiere at a special showing at the Motion Picture Association of America in Washington, D.C.

The 28-minute color film, titled "The Faces of a Union," shows collective bargaining, job safety committees, grievance processing, labor education programs and political action activities.

Steelworkers President Lloyd McBride said the film is intended "to reflect a realistic view of how working people, through their union, have improved their standard of living and solved workplace problems."

It shows also, he said, some of the difficult problems faced by union members and their communities that call on the combined efforts of labor, government and industry for solution.

Newsreel footage introduces the union's early organizing history. The film features Steelworkers on their jobs or involved in community and union activities in both the United States and Canada.

The film was jointly produced with Washington-based MFZA films in four weeks of on-location shooting at plants, union halls, a job health clinic, mines, and union education centers.

"The Faces of a Union" is available on a free loan basis to local unions, secondary schools and local television stations from the USWA Public Relations Dept., Five Gateway Center, Pittsburgh, Pa. 15222.

Senate Panel Screens Donovan's Nomination As Secretary of Labor

Raymond J. Donovan told a Senate confirmation hearing that he would seek to "build bridges" between workers and management as Secretary of Labor in the Reagan Cabinet.

Donovan outlined his views on a number of labor-related issues in response to questions by senators. But most of the questioning centered on his role as a top executive of a New Jersey construction company that had been mentioned—but never charged—in the course of a probe of political corruption in Newark.

The Senate Labor & Human Resources Committee put off an immediate vote on Donovan's nomination. But Senate leaders were still hoping to complete action on Cabinet confirmations within a few days of the presidential inauguration.

During an all-day committee hearing on his nomination, Donovan promised "even-handed" administration of the laws Congress has enacted and "sensitivity" to the needs of the people affected by Labor Dept. programs. These range from job training for the disadvantaged to workplace safety and health inspections.

IN RESPONSE to questions, Donovan told the Senate committee that he has seen conflicting reports on the desirability of a youth subminimum wage and still has "an open mind" on the issue.

He would not object to a youth subminimum, he said, "if it could be proved to my satisfaction" that a lower youth wage would open up new job opportunities for young people "without affecting existing wage earners."

On "right-to-work" laws that ban union shop agreements, Donovan said he agrees with Reagan that the decision should be left to the states—as it now is under Section 14(b) of the Taft-Hartley Act.

DONOVAN VOICED a strong personal commitment to job safety and equal employment opportunity but complained of what he termed "overregulation" of business and an "adversarial" approach by the Occupational Safety & Health Administration.

He said he favors policies to achieve "full employment through economic growth" and opposes the concept of allowing unemployment to rise in order to curb inflation. "I don't agree with that at all," he testified.

Most of the Senate hearing focused on the business operations of the Schiavone Construction Co. of Secaucus, N.J., which Donovan helped build from small beginnings to a still-expanding company with $700 million in outstanding contracts.

Donovan is executive vice president and one of the two principal stockholders of the firm, and questioning centered on his knowledge of a $13,000 company check that was deposited in 1967 in a bank account described in a Newark political corruption trial as a device to "launder" political payoffs.

Donovan told the committee that the check was a routine payment for dumping rights and that an exhaustive examination of the company books at the time by both the U.S. attorney's office and the Internal Revenue Service found no wrongdoing and no taxes due.

SENATORS ALSO raised questions stemming from a continuing grand jury investigation of the business agent of a New York City Teamsters local, Harry Gross. The Justice Dept. reported than an official of the Schiavone firm had testified that the business agent's chauffeur had been put on the payroll during a construction job "as a price for labor peace."

Donovan said he had no prior knowledge of the episode. He said a Teamsters agreement with the regional contractors' association gives the union the right to name anyone it chooses as a working shift foreman.

Donovan was formally presented to the committee by his home-state senator, Harrison A. Williams, Jr. (D-N.J.), who was chairman of the committee until the Republicans gained control of the Senate in this Congress. Sen. Orrin G. Hatch (R-Utah) is the new chairman, and Sen. Edward M. Kennedy (D-Mass.) is the ranking minority member.



AT CONFIRMATION HEARING on his selection as Secretary of Labor, Raymond J. Donovan answers questions from members of the Senate Labor & Human Resources Committee. Donovan, a New Jersey construction contractor, said his goal is to "build bridges" between workers and management.

Perdue Brand Poultry Added To AFL-CIO's 'Unfair' Listing

Perdue poultry products have been placed on the AFL-CIO unfair list, and union consumers are being asked not to buy the non-union company's roasters, broilers, chicken parts or Cornish game hens. Perdue is the third largest poultry processor in the United States.

AFL-CIO President Lane Kirkland added the company to the unfair list at the request of Food & Commercial Workers President William E. Wynn, and has instructed the AFL-CIO Union Label & Service Trades Dept. to notify federation affiliates, state and local central labor councils and other labor organizations of the action.

Wynn, in a letter requesting the sanction against Perdue, said the UFCW will seek the endorsement of the AFL-CIO Executive Council for a nationwide boycott next month.

The UFCW launched its boycott of Perdue products in September 1980 following an effort by UFCW Local 117 to organize the 1,700 production and maintenance workers at Perdue's Accomac, Va. processing plant. An unfair labor practice strike is now in its sixth month at the plant.

During the organizing campaign, UFCW supporters agreed to honor a picket line set up by the unaffiliated Teamsters in an attempt to organize the Perdue drivers. Fifty-seven UFCW members were "permanently replaced" by the company in retaliation, forcing the UFCW to file unfair labor practice charges.

The National Labor Relations Board has issued a complaint based on the UFCW's charges, and hearings will begin in April. The election remains blocked until the charges are resolved.

Wynn pointed out that the larger issue in the UFCW boycott is Perdue's "aggressive anti-union philosophy which has translated into a situation where not one of its 6,000 employees works under a union contract."

Perdue's anti-union tactics have included buying plants where union contracts are in force, closing them for "modernization," and reopening them under non-union conditions, according to Jerry Gordon, assistant drector of UFCW Region 4, who is coordinating the boycott for the union.

"Perdue is out to destroy the union in the poultry processing industry," Gordon said, pointing out that Perdue's harsh employment policies and record of citations for unsafe working conditions underscore the need for a union.

In the Accomac plant alone, Gordon said, Perdue fired more than 400 workers over a two-year period, and was cited for numerous health and safety law violations.

Wage Test Raised for Exempted Employees

A long-delayed increase in the wage test required for exemption of executives and professionals from overtime pay requirements of the wage-hour law has been announced by the Labor Dept.

Rudy Oswald, director of the AFL-CIO Department of Economic Research, described the new salary tests as a wholly inadequate updating of figures that were obsolete years ago. "While the new rates are better than no change, the new proposals fail to reflect the general increases in wages since 1975, the last time that the Labor Dept. had updated the regulations.

"The rates made effective in 1981 reflect the proposals made by the Labor Dept. three years ago, and the stepup scheduled for 1983 will not keep even those meager rates current with the Administration's own projection of inflation. The whole purpose of the salary tests is to assure that those who receive overtime exemptions are bona fide executives, administrative and professional employees. These new rates do not adequately provide such a safeguard."

The first step, effective Feb. 13, will require that persons whose duties are primarily executive or administrative must be paid at least $225 a week if they are not paid the time and one-half overtime rates required by the Fair Labor Standards Act.

The present salary test, unchanged since 1975, is only $155 a week.

A SECOND STEP in the wage test will be effective two years later, on Feb. 13, 1983. As of that date, the executive wage test will move to $250.

Professional employees must meet a higher wage test for exemption from overtime pay requirements. The existing pay requirement, also dating from 1975, is $170 a week. That will rise to $250 on Feb. 13 and to $280 in 1983.

A third category is termed the "upset test." That is the level at which the test for exemption from the Fair Labor Standards Act becomes less stringent in terms of duties and a higher salary level becomes supportive evidence for an exemption.

The old level of $250 will rise to $320 in the first step and to $345 in 1983. The same levels also apply for exemption of persons employed in the motion picture producing industry.

Back in 1978, the Labor Dept. had proposed raising the executive and professional cutoffs to the same levels now scheduled to take effect next month—and to increase the "upset test" to $350, higher than is now proposed. All three figures were substantially less than the AFL-CIO had urged at hearings on the proposals.

The increase, however, never was put into effect. It was criticized as potentially inflationary by the Council on Wage & Price Stability, which then was trying to enforce guidelines to hold down wages.

In practical terms, the only "executives" likely to be affected at the still low cutoff levels are supervisory employees of traditionally low-paying fast food outlets and comparable operations.

A spokesman for the U.S. Chamber of Commerce labeled the Labor Dept. action, which was cleared by President Carter, a "midnight raid" and said the chamber might seek a court order to block it.

The Labor Dept. said the new rates are fully justified by changes in the average salaries paid in white collar occupations and would have only a minimal effect on payrolls.

NO EMPLOYER has to raise the pay of any executive or professional employee as a result of the change in the exempt salary levels. But an otherwise exempt employee making less than the cutoff figure would have to be paid time-and-one-half for hours over 40 a week.

The cutoff test remains lower for employees in Puerto Rico, the Virgin Islands and American Samoa but comparable two-step increases are provided in those jurisdictions also.

Thurmond to Press Labor Antitrust Law

Unions have become "too powerful" and should be brought under antitrust laws, Senate Judiciary Committee Chairman Strom Thurmond (R-S.C.) said at a seminar for business executives.

Early in the century, courts had held that unions could be sued under the antitrust act on the reasoning that insistence on uniform wage scales and strikes were a form of conspiracy in restraint of trade.

Congress lifted that threat when it enacted the Clayton Act in 1914, which specified that "the labor of a human being is not a commodity or article of commerce" under antitrust laws.

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Correspondence about address corrections should be sent with attached mailing label to: Subscriptions, Room 209, 815 16th Street, N.W., Washington, D.C. 20006.

AFL-CIO News

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Economists Scrap Goal on Jobs, Inflation

The Carter Administration's final Economic Report to Congress virtually abandoned the unemployment and inflation goals of the 1978 Humphrey-Hawkins Full Employment & Balanced Growth Act, insisting that they are unattainable within the time-frame set forth in the act.

"It will not be simultaneously possible to achieve 4 percent unemployment and 3 percent inflation in the time envisioned in the Humphrey-Hawkins Act or in last year's report," the annual report of the President's Council of Economic Advisers maintained.

"ATTEMPTS TO reach either goal on the act's timetable would frustrate progress toward the other goal, and could substantially impair the prospects for improved economic performance," the CEA report argued.

In effect, the outgoing Administration eliminated the schedule for reaching the Humphrey-Hawkins goals of 4 percent joblessness and 3 percent inflation by 1983. In last year's Economic Report, Carter's advisers pushed back the inflation goal to 1988 and the unemployment goal to 1985. CEA Chairman Charles L. Schultze said he did not envision achieving those goals in "the foreseeable future."

Instead, the Carter CEA forecast an unemployment rate of between 7.5 and 7.75 percent at year-end 1981, adding that "it is likely to be above this range in the early part of 1981." During 1982, the unemployment rate is projected to decline steadily, ending the year in the range of 7.25 to 7.5 percent. Joblessness stood at 7.4 percent last month.

A FIVE-YEAR projection in the report sees unemployment gradually declining to 5.9 percent by 1986. Beyond that, the outgoing CEA offered no predictions.

As for inflation, Carter's advisers said the government's consumer price index, which rose 12.6 percent in 1980, likely will increase at about last year's pace. By 1986, they said, the rise in the CPI will moderate to less than half that rate, or 6 percent.

"Given public concern with inflation, both fiscal and monetary policy are expected to be a restraining influence on economic activity in 1981 and beyond," the CEA report observed. "However, there is both need and room for a prudently designed tax cut which would be phased in gradually over the next two years."

THE CARTER unemployment and inflation projections assume that real economic growth will increase at a sluggish rate of about 1.75 percent over the four quarters of 1981, with virtually all of it coming in the last half of the year. For 1982, they foresee a rise of 3.5 percent in real gross national product—the value of the nation's total output of goods and services—but this is predicated on tax cuts that would provide significant economic stimulus. Between 1983 and 1986,

(Continued on Page 8)

Total '80 Output Drops, 3rd Setback in Decade



PRESIDENTIAL TRANSITION of power, American style, is symbolized by this inauguration handshake. Nancy Reagan looks on as the new President gets the best wishes of his predecessor.

4th Quarter Rise Fails to Recoup Loss

By James M. Shevis

A strong fourth-quarter finish failed to make up ground lost to the recession earlier in the year, with the result that the nation's economy in 1980 suffered its third setback of the past decade.

For 1980 as a whole, real gross national product (GNP) declined one-tenth of 1 percent, the Commerce Dept. said. The downturn followed four years of economic growth.

RUDY OSWALD, director of the AFL-CIO's Dept. of Economic Research, compared the economic ups and downs of the past 10 years with the record of the 1960s, which "showed strong growth" through most of the period.

"The repeated recessions of the last decade contributed to lower productivity and resultant higher inflation," Oswald observed. "The downturn in the 1980 economy reduced the nation's output far below its potential. Fewer goods and services were produced despite a growing labor force that was looking for work.

"As a result, unemployment rose from 5.9 percent in the fourth quarter of 1979 to 7.4 percent in the fourth quarter of 1980."

OSWALD SAID the growth and vitality of the economy last year were "choked off" by the highest interest rates of the century. A record prime rate, topping 20 percent for the first time ever, had particularly deleterious effects on the housing and manufacturing sectors of the economy, he noted.

Preliminary Commerce Dept. figures

(Continued on Page 8)

Reagan's Conservatism Keys Inaugural Theme

By David L. Perlman

President Reagan's "first priorities" will be to shrink the federal government and cut taxes. But he cautioned in his inaugural address against expecting quick results in curbing inflation and expanding employment.

"Progress may be slow—measured in inches and feet, not miles," the new President said.

Reagan followed tradition by using his inauguration to set broad themes for his Administration, and it will be weeks, perhaps months, before these are transformed into detailed legislative and budget proposals to Congress.

"Government is not the solution to our problems. Government is the problem," Reagan said just minutes after taking over the helm.

The nation's economic ills, Reagan suggested, stem from a "punitive tax burden" that penalizes successful achievement."

ON THE PRINCIPLES OF less government and less taxes, "there will be no compromise," Reagan insisted.

The Reagan Administration is still in the early stages of formation.

The President has named his key White House staff and his Cabinet choices. But it will be weeks yet before the scores of sub-Cabinet posts and the hundreds of other top positions open to a new Administration are filled.

Reagan's early choices are an amalgam of traditional Republican mainstreamers, such as dominated the last Republican Administration under Gerald Ford, and conservative ideologues long suspicious of government.

IRONICALLY, the two votes cast against confirmation of Defense Sec. Caspar W. Weinberger, a close personal associate of Reagan as well as a veteran of the Nixon and Ford Cabinets, came from two of the most conservative members of the Senate—North Carolina Republicans Jesse A. Helms and John P. East.

Sec. of State Alexander M. Haig, Jr.,

(Continued on Page 8)

House Committee Lineups Reflect GOP Election Gain

Election returns and retirements have shuffled the membership of House committees in the new Congress although, with continued Democratic control, most chairmen are holdovers.

Democrats retain majorities above their party ratio in the House in some key committees. But in other committees, the party division reflects Republican election gains and in some cases gives the conservative coalition effective control.

Here's the new lineup:

AGRICULTURE—Changes from 27 Democrats, 15 Republicans to 24 Democrats, 18 Republicans, and becomes more conservative as Kika de la Garza (Tex.) replaces Thomas S. Foley (Wash.) as chairman. Foley remains on the committee, whose jurisdiction includes the food stamp program. But he had to give up his chairmanship to take the post of party whip, or assistant majority leader. Republican William C. Wampler (Va.) continues as ranking minority member.

APPROPRIATIONS—Changes from a 36-18 to a 33-22 Democratic majority. The holdover chairman is conservative Jamie L. Whitten (Miss.), and liberal Republican Silvio O. Conte (Mass.) remains senior minority member.

ARMED SERVICES—Party ratio still to be decided. Melvin Price (Ill.) remains chairman and William L. Dickinson (Ala.) becomes the senior Republican.

BANKING, FINANCE & URBAN AFFAIRS—The Democratic majority is

(Continued on Page 6)

Labor Presses Job Programs In '80s 'Agenda'

A 45-member presidential commission agreed that balanced economic growth should top the nation's "Agenda for the Eighties," but differed in emphasis on how to achieve it.

Labor, civil rights and consumer representatives were among the signers of a supplementary statement urging policies to promote full employment and generally supporting a more direct role for government in dealing with the nation's problems.

LEON B. SCHACHTER, the retired vice president of the Food & Commercial Workers who represented AFL-CIO President Lane Kirkland on the commission, signed the separate statement. The other signers were Communications Workers President Glenn E. Watts; Addie L. Wyatt, vice president of the UFCW and executive vice president of the Coalition of Labor

(Continued on Page 6)



SKY SAFETY is the goal of an intensive public education effort launched by the Air Line Pilots, ALPA President John J. O'Donnell announced at a meeting in Atlanta. Operation USA (Unity for Safe Airtravel) will alert the public to air safety problems which the union says could be remedied by requiring the Federal Aviation Administration to exercise a greater safety role.

Pilots Sound Public Alert On 'Erosion' of Air Safety

Atlanta—A campaign to alert the public to an "erosion in the U.S. air safety system" was kicked off by the Air Line Pilots at a special meeting here that drew more than 200 pilots from 29 airlines.

The program, dubbed Operation USA (Unity for Safe Airtravel), was launched to focus public attention on the responsibility of the Federal Aviation Administration for air passenger safety. ALPA, which represents 33,000 pilots, has been critical of the FAA's record on safety issues, charging that the agency "has allowed its role of promoting air commerce to compromise its role of ensuring the highest practicable level of air safety."

The goals of the campaign are to require the FAA to open up the aircraft certification process to participation by qualified third parties, including professional pilots. Currently, the process is "closed," and only the FAA and the manufacturer participate, the union said.

Another goal is reduction of the number of near mid-air collisions, which could be accomplished by requiring the FAA to revamp existing and future air traffic control systems. The ALPA is also urging development of an independent on-board collision avoidance system.

AN FAA EFFORT to increase the number of hours a pilot can be required to fly without rest should be ha'ted, the union said, and the agency's safety improvement programs should be directed to constructive measures and away from a "witch hunt" against pilots.

Some proposed FAA rule changes would provide for stiffer fines (up to $25 000) or possible prison terms for violations of federal aviation regulations, ALPA pointed out.

Operation USA is also calling for speedy release of a $4 billion surplus in the federal airport and airway trust fund which could be used to improve airport safety facilities.

Fifteen major U.S. cities have been targeted for activities in the union's campaign, spearheaded by pilot volunteers. Radio time for spots urging the public to call ALPA for information on air safety has been purchased in Washington, D.C., and ALPA President John J. O'Donnell has scheduled a tour of the remaining cities to officially launch the campaign.

IN ADDITION to alerting the public to safety issues, Operation USA's goal is "to persuade President Reagan to improve the performance procedures and standards set down by the FAA," O'Donnell said.

The union's executive board at its November 1980 meeting called for a series of protests to underscore the safety issue which could include a "nationwide suspension of services as an act of public protest."

A work stoppage would not be intended to inconvenience the public or employers, O'Connell said, but to "bring attention to our conviction that the present erosion of the air safety system will escalate in the near future unless the FAA acts now to correct its deficiencies."

ALPA, AS WELL as the Flight Engineers, has called the FAA's current certification process for new generation aircraft "flawed," charging that the agency has been swayed by manufacturer pressure to relax certain safety standards.

The union points out that the issue of crew complement—whether an aircraft requires a three-person or a two-person cockpit crew for maximum safety—has not been properly addressed by the FAA. One aircraft, the McDonnell-Douglas Super 80, has already been certificated with a two-person cockpit, and similar approval of two new Boeing aircraft is expected soon.

THE PILOTS' union disagrees with the contention of the manufacturers that advances in aircraft technology permit them to be flown safely by two crew members. The ALPA points out that advances in automation actually increase the pilots' complex workload. A third crew member adds "an additional margin of safety" by reducing workload, providing a back-up and checking service and additional action in an emergency.

An independent, scientific study is needed to resolve the issue which has been a recurring one in the airline industry for 35 years, the ALPA said, arguing that the FAA has not performed such studies, but has relied on the manufacturers' own claims of safety.

Returning Hostages Welcomed by AFGE

The American Federation of Government Employees sent a warm "welcome back" message to the former hostages returning from captivity in Iran.

"In this time of joy and celebration," AFGE President Kenneth T. Blaylock said, "it is proper to reflect upon the terrific injustice each of them suffered at the hands of their captors. Whether it was one day or 444, it was wrong for one group of humans to unjustly deprive others of their freedom.

"As the union representing 750,000 men and women who work for government, including several of these courageous freed hostages, we offer a hearty welcome home from your co-workers."

For 1981

Union Conventions Scheduled by Affiliates

Below is a list of conventions scheduled for 1981 by AFL-CIO national and international affiliates and state central bodies. Changes and additions will be reported.

DATE	ORGANIZATION	PLACE
Mar. 23-25	Louisiana	Baton Rouge
May 18-22	Plate Printers & Die Stampers	Washington
May 19-26	Novelty Production Workers	Miami Beach, Fla.
May 27-29	Arizona	Flagstaff
June	Actors & Artistes	New York
June 1	Firemen & Oilers	Bal Harbour, Fla.
June 1-5	Clothing & Textile Workers	Detroit
June 1-5	Insurance Workers	Miami Beach
June 2-5	Pennsylvania	Philadelphia
June 8-10	Idaho	Burley
June 14	Grain Millers	Palm Springs, Calif.
June 15	Flint Glass Workers	Hollywood, Fla.
June 21-26	Hotel & Restaurant Employees	Chicago
June 22-25	Musicians	Salt Lake City
June 22-26	Pattern Makers League	Las Vegas, Nev.
June 29-July 3	Newspaper Guild	Memphis, Tenn.
July 6-10	Communications Workers	Boston
July 6-10	Teachers	Denver
July 19-23	Elevator Constructors	Seattle
July 20-23	Police Associations	Chicago
July 20-24	Aluminum Workers	Columbus, Ohio
July 22-25	Texas	Austin
Aug. 10	Carpenters	Chicago
Aug. 10	Oil, Chemical & Atomic Workers	Miami Beach
Aug. 10-14	Plumbers & Pipe Fitters	Las Vegas
Aug. 13-15	Nevada	Reno
Aug. 19-21	Utah	Salt Lake City
Aug. 20-22	Montana	Billings
Aug. 24	Boilermakers	Chicago
Aug. 24-28	Allied Industrial Workers	Dearborn, Mich.
Aug. 24-28	Iron Workers	Miami
Aug. 24-28	Typographical Union	Montreal
Aug. 24-29	Glass Bottle Blowers	Bal Harbour, Fla.
Aug. 31-Sept. 1	Seafarers	Washington
Sept.	Wyoming	Casper
Sept. 7-11	British Trades Union Congress	Blackpool
Sept. 10-12	North Dakota	Jamestown
Sept. 13-16	Minnesota	St. Paul
Sept. 14	Graphic Arts International Union	Honolulu
Sept. 14	Laborers	Hollywood, Fla.
Sept. 14-17	Florida	Miami Beach
Sept. 14-18	Oregon	Springfield
Sept. 16-18	Iowa	Waterloo
Sept. 16-18	Connecticut	New Haven
Sept. 20-25	Woodworkers	St. Louis
Sept. 21-23	Tennessee	Nashville
Sept. 21-24	Illinois	Chicago
Sept. 26-27	Washington	Everett
Sept. 28-30	Nebraska	Omaha
Sept. 28-Oct. 2	Amalgamated Transit Union	Hollywood, Fla.
Sept. 28-Oct. 2	Transport Workers	San Francisco
Oct. 4	Rubber Workers	Bal Harbour, Fla.
Oct. 5-9	Bricklayers	Toronto
Oct. 5-9	Telegraph Workers	Lake Buena Vista, Fla.
Oct. 7-9	Colorado	Colorado Springs
Oct. 11-15	Massachusetts	Boston
Oct. 14-16	Kansas	Topeka
Oct. 20-21	West Virginia	Charleston
Oct. 21-23	Georgia	Savannah
Oct. 31-Nov. 2	New Mexico	Albuquerque
Nov. 1-4	South Carolina	Myrtle Beach
Nov. 9-10	Food & Beverage Trades Dept.	New York
Nov. 9-10	Metal Trades Dept.	New York
Nov. 9-13	Flight Engineers	Rio de Janeiro
Nov. 12	Professional Employees Dept.	New York
Nov. 12-13	Maritime Trades Dept.	New York
Nov. 12-13	Union Label & Service Trades Dept.	New York
Nov. 12-14	Labor Press Association	New York

Women Pace Rise in 'Moonlighting'

The number of "moonlighters"—workers holding two or more jobs—rose slightly between May 1979 and May 1980 to 4,759,000, the Bureau of Labor Statistics reported. A year earlier, the number was 4,724,000.

The multiple job holding or moonlighting rate, which measures multiple jobholders as a percent of all employed workers, was 4.9 percent, the same as in May 1979.

The proportion of all working women who moonlighted, however, rose from 3.5 to 3.8 percent while that of men dropped from 5.9 to 5.8 percent over the year, BLS said. Seven years ago, the rate was 6.6 percent for men, 2.7 percent for women, and 5.1 percent overall.

By occupation, workers in professional and technical jobs and farmers were the most likely to hold second jobs. Their moonlighting rates averaged 8 percent and 6.4 percent, respectively, in 1980, BLS said. On the other hand, factory operatives and clerical workers were the least likely to hold second jobs, with moonlighting rates of 2.7 and 3.8 percent.

The total number of workers employed more than 40 hours a week, whether in one job or more than one job, fell from 25.7 million to 23.2 million in the year ended in May 1980, BLS said.

Steelworkers Open Talks in Can Industry

Costa Mesa, Calif.—The Steelworkers opened negotiations with the container industry on new agreements to replace current contracts covering nearly 40,000 workers that expire on Feb. 15.

Following a two-day, joint "sound-off" session with industry representatives here, union negotiators met separately with bargainers from each of the four major companies in the industry, American Can, Continental Can, National Can, and Crown Cork & Seal.

THE FOUR companies employ a total of some 20,000 USWA members. In addition to the four major firms, the union holds contracts with several smaller producers and "captive" can operations owned by food, beer, and other product manufacturers which make their own containers.

About 200 officers of USWA locals across the country attended the sound-off session. Robert Petris, director of the union's District 38 in Los Angeles, is chairman of the USWA container industry conference and chairman of the union's bargaining committee at Continental Can.

Petris said the union hopes to gain an agreement similar to the one it reached last year with the aluminum industry. He said the union seeks a substantial wage increase, continuation and improvement of its current cost-of-living clause, and improved benefits and health coverage for retirees. He pointed out that the industry has lost some 10,000 jobs in recent years.

Current contracts with the four major can companies provided a 40-cent hourly wage increase in March 1977, and additional hourly raises of 10 cents on Nov. 1, 1977, 10 to 19.6 cents on Mar. 1, 1978, 10 cents on Sept. 1, 1978, 10 to 22 cents on Mar. 1. 1979, and 34 to 43.6 cents on Mar. 1, 1980.

THE UNION seeks to improve the COL formula to provide for a one-cent hourly increase for every .28 of a point rise in the government's consumer price index. The current formula calls for a one-cent increase for every rise of three-tenths of a point in the index.

The container industry talks are the last in the union's series of four major industry conference negotiations which began with the major steel companies last spring, followed by negotiations with the aluminum industry. The nonferrous bargaining talks with the copper industry ended late last November.



ASSOCIATED PRESS employees in major cities have been walking informational picket lines to protest the news agency's stonewalling tactics in bargaining with the Newspaper Guild. More than 100 staffers joined this protest outside AP's headquarters in New York, where the board of directors was meeting. The Guild has filed unfair labor practice charges stemming from the bargaining impasse. The Guild-AP contract expired Dec. 31.

Drozak Asks Measures to Rescue U.S. Shipbuilding, Merchant Fleet

The United States is in danger of losing its vital shipbuilding capacity and its status as a world maritime power unless government policies are quickly changed, AFL-CIO Maritime Trades Dept. President Frank Drozak warned.

Drozak, who is president of the Seafarers, called for a reversal of "the 20-year decline in the American merchant marine and shipbuilding industry" in a statement issued following a meeting of the Ad Hoc Maritime Committee of the AFL-CIO.

"THE MARITIME industry does not need new subsidies, loans, grants or bailouts," Drozak said. "It only needs government policies that recognize its importance to all American citizens no matter how far from water they may live."

The committee, chaired by AFL-CIO President Lane Kirkland, includes the Steelworkers; Marine Engineers; Longshoremen; the Oil, Chemical & Atomic Workers; the Masters, Mates & Pilots; the Radio Officers, and the National Maritime Union. It is calling for the adoption of five new government policies:

- Revitalization of the dry bulk U.S.-flag fleet and consideration of the U.S. merchant marine in all programs promoting the export of American coal. A strong fleet is essential to carry not only coal but also strategic materials, the committee said, pointing out that of 71 raw materials considered vital to defense and U.S. industry, only a small percentage is shipped under U.S. flags.
- Greater use by the U.S. Navy of the merchant marine fleet for routine auxiliary functions, and transfer of operation and construction of auxiliary support vessels to the private sector.
- Revision of tax incentives and regulatory practices that encourage the building of new vessels in foreign shipyards rather than in the United States.
- Negotiation of bilateral trade agreements, particularly with developing countries, that include guarantees of an equitable share of U.S. international cargoes for U.S.-flag ships.
- Ratification by the United States of the UN Conference on Trade & Development's proposed code of conduct for liner services with formulas that would reserve for U.S. ships 40 percent of all liner cargoes shipped from or destined for the United States.

"UNLESS THESE policies are adopted now, there will be no more yards building commercial ships in the United States," Drozak warned. "Even today fewer than two dozen major shipyards remain to be saved from extinction."

He pointed to the recent closing of the Sun Ship Yard in Chester, Pa., as evidence of the "frightening situation" threatening U.S. marine capability. Several thousand workers are expected to lose their jobs, Drozak said, when the yard stops construction of new ships.

Drozak urged the new Administration to follow up on a campaign commitment to a revitalization of an effective U.S. merchant marine made by Ronald Reagan in a speech at the same shipyard.

WITHOUT NEW policies, "there soon could be no U.S. merchant marine to carry grain to foreign buyers and to transport strategic materials to our defense and manufacturing plants," Drozak cautioned. "If a war were to break out, the United States would be unable to send men and equipment in numbers sufficient to fight. Hundreds of thousands of Americans would be in unemployment lines. The end of American shipbuilding capability and U.S.-flag shipping would be catastrophic to our economy and our defense," he emphasized.

Drozak pointed out that similar recommendations for bolstering the U.S. merchant fleet were agreed upon by more than 100 representatives of the maritime industry, labor and government at a symposium sponsored earlier this month in the U.S. Virgin Islands by the Center for Ocean Law & Policy of the University of Virginia. Drozak was on a panel discussing government action and maritime policy.

College-Educated Workers Nearly Double in 10 Years

More workers than ever have college degrees, and the number of college graduates in the workforce has nearly doubled since 1970, according to data released by the Bureau of Labor Statistics.

The Labor Dept.'s statistical arm found in a March 1980 survey that nearly 17 million workers aged 25 to 64 had completed four or more years of college and some 13.4 million had attended at least one year of college, a total of about 30.3 million workers with education beyond high school.

A DECADE AGO, 8.7 million workers had finished four years of college, and 7.2 million had attended some college for a total of about 16 million.

BLS pointed out that the figures correspond to the passage of the post-World War II "baby boom" generation through school and into the workforce. Men and women in the 25-34 year age bracket accounted for 44 percent of the total number of workers who have completed four or more years of college and 45 percent of all workers with at least one year of college.

Among college graduates, the BLS said, about three-fourths of both men and women workers are concentrated in two broad occupational groups, professional/technical and managerial. Of workers with one to three years of college, 37 percent of the men and 32 percent of the women were in those job categories.

Of those who attended only one to three years of college, 21 percent of the men were craft workers and 44 percent of the women were clerical workers. Some 31 percent of male high school graduates with no college were craft workers and 46 percent of the women in that category were clustered in clerical jobs.

THE BLS FIGURES show that unemployment rates varied in relation to a worker's years of schooling, with only 2 percent of college graduates out of work in March 1980 compared to 4.9 percent of workers with one to three years of college and 6.5 percent of workers with only high school diplomas.

White college graduates had an unemployment rate of 1.9 percent in March 1980 compared to 4.1 percent for black graduates and 3.4 percent for Hispanic graduates. The rate for blacks with one to three years of college jumped to 10.2 percent in the same period compared to a jobless rate of 4.3 percent for whites and 5.9 percent for Hispanics in the same educational category.

Musicians Gain Settlement With Film, TV Producers

Los Angeles — The Musicians reached an agreement with motion picture and television producers on a new three-year contract to end a 27-week strike by some 5,000 AFM members who score and provide the music for productions.

Although details of the agreement were not released pending a ratification vote, AMF President Victor W. Fuentealba reported that the contract provides for substantial wage increases and other improvements.

It also makes provisions for future negotiations on the use of original production music for the home video market. A major issue in the dispute that led to the strike, which began last Aug. 1, was over compensation for various forms of pay television, as well as payments for reruns of TV shows and motion pictures.

The ratification vote, which will be conducted by mail, is expected to take several weeks to complete.

The tentative agreement between the AFM and the Association of Motion Picture & Television Producers was reached Jan. 14 with the assistance of the Federal Mediation & Conciliation Service.

Fuentealba said the AFM was "pleased with the resolution of the strike and gratified by the terms of the agreement." He added that the determination and unity of striking members "has been rewarded with a settlement which will benefit all musicians."

During the strike, producers used dubbed-in music from previous television shows or had recordings for motion pictures done overseas.

A Proud Workforce

IN AN ESTABLISHMENT as vast as the United States government, President Reagan's appointees will surely find some of the waste and inefficiency he has committed his Administration to eradicate.

Where it is found, it should be eliminated. The problem is not unique to government. A diligent search almost certainly would uncover pockets of sloth in General Motors, IBM and most other large corporations.

But the President and his appointees will also find a large reservoir of conscientious men and women performing useful work and doing so with pride.

THEY MAY BE found driving trucks or inspecting mines, checking tax returns or feeding data into computers, directing air traffic or cleaning hospital wards, answering telephones and reproducing reports.

Government employees were taken hostage in Iran, and other government employees worked day and night to achieve their freedom.

And yes, some are also engaged in the enormously complex task of drawing up regulations that are fair and workable so as to better protect the health, safety and rights of their fellow Americans.

Like workers everywhere, they will respond to leadership and example—and justly resent undeserved abuse.

End of an Ordeal

THE DEEP EMOTION that President Carter showed in his warm welcome to the men and women finally freed from captivity in Iran was shared by his fellow Americans.

The American people were united in outrage when the U.S. embassy was seized and diplomatic hostages taken in violation of international tenets that have been observed almost since the dawn of history.

We seethed at the indignities to which the hostages were subjected and we rejoiced, as if for our own kin, at their release.

IN THE DELICATE around-the-clock negotiations that occupied the final days of his Administration, President Carter demonstrated that the awesome responsibility of the presidency is borne for the full four years, and cannot be put aside even when the view from the Oval Office shows the preparations for the inaugural of a successor.

And President Reagan took the proper step in asking Mr. Carter to represent him and all of the American people in a personal welcome to the liberated Americans.

The ordeal to which the Americans taken hostage were subjected was all the more reprehensible because it was not merely indignities at the hands of an inflamed, unreasoning mob.

As the AFL-CIO Executive Council noted in a resolution adopted last year, the hostages were "victims of Iran's policy of official terrorism—a policy aimed at the humiliation and blackmail of the United States."

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THOMAS R. DONAHUE, *Secretary-Treasurer*

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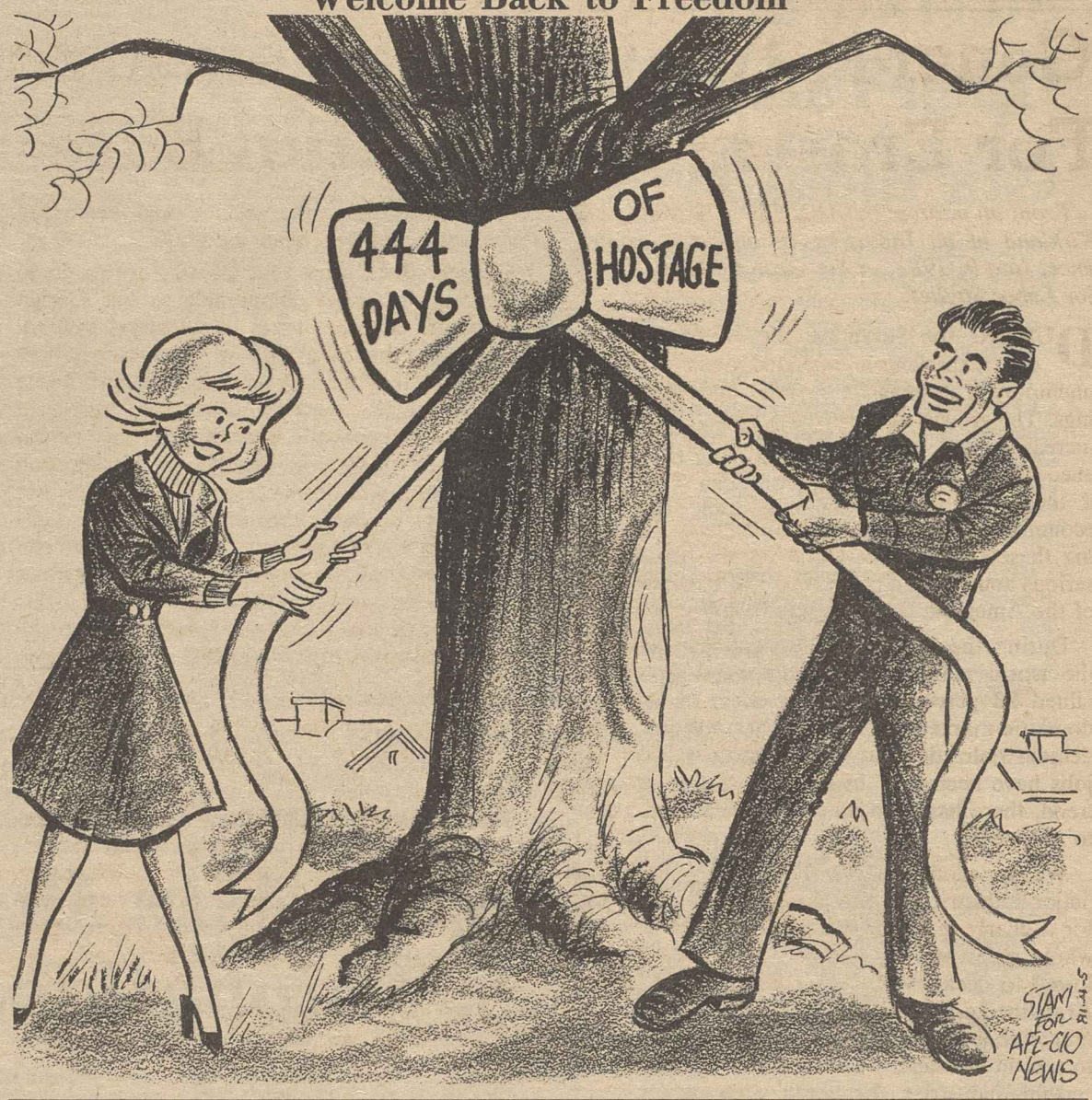
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Welcome Back to Freedom



A Political Message

State Lines Prove No Barrier To Airborne Pollution of Lakes

By Gus Tyler

THE LAKES AND PONDS of New York's Adirondack Mountains are so acid that fish can no longer live in them. By count, 219 such bodies of water have been so polluted; an additional 256 are rapidly reaching the same point of poisoning.

The problem is environmental, of course; but it is actually more political than technical.

The political message is that no state in these United States is an island unto itself; it is part of the continent, inhabited by 49 other states, whose behavior affects all of us. For instance:

THE ACID IN these lakes and ponds does not come from the negligence of the New Yorkers who surround the area. The poison comes from faraway states, like Illinois, Indiana, Ohio, Michigan, Missouri, Tennessee and West Virginia. These states burn coal to generate power and do so with little regard to sulfur dioxide and other dangerous emissions.

Winds, rain and snow carry these pollutants eastward, doing heavy damage when they hit heights above 2,000 feet. The poisons are not only deposited directly on the ponds and lakes, once some of the finest trout fishing spots in the world, but are dumped on soil through which the contaminants leach into the waterways.

There is no way that New York can cope with this matter short of calling for federal intervention and for tight enforcement of tough standards. By itself, the Empire State is helpless.

NO DOUBT, New York's call for Uncle Sam to step in can be interpreted as a call for "more" rather than "less" government. Such an act would surely be denounced by those who want to get the government out of our lives. But what alternative does New York—or any other state affected by a neighbor's behavior—have, but to call upon Uncle Sam to come to the aid of an endangered niece or nephew?

The case of the poisoned water is, in a very real way, symbolic of the relationship between the states and Washington. Over the years, they—or some of their inhabitants—have turned to the capital for action because the state could not or would not move on its own.

A constitutional amendment to extend the suffrage to women in the country was needed because the separate states would have taken forever-and-a-day (if ever) to give every woman in this country the right to vote.

A CIVIL RIGHTS act was needed in 1964 because, if the matter of rights for minorities were left to the states, there would still be millions in this country who would be denied what was rightfully theirs.

Many years ago it became painfully apparent that any state that introduced progressive social legislation—like workmen's compensation, unemployment insurance or social security—would be penalized for doing so. To finance such systems required taxation. If a neighboring (or distant) state did not go in for such sensible and humane measures, it could attract business by offering lower tax rates. Hence, the meaner the state was the greater its success in drawing away business from the states with a social conscience.

PRECISELY because the states had not moved in these areas, partly for fear that to be generous would be foolhardy, the federal government had to take the initiative to establish unemployment insurance and social security.

History has proven over and over again that in socio-economic matters, as in containing the effects of acid rain, a state can not do what's right just by itself. In many such matters, we must act as a united states.

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LET'S BUY WHAT WE MAKE!



BUY UNION!

Union Label and Service Trades Department, AFL-CIO

Kirkland Presses Tripartite Action

General Tax Cuts No Remedy For Erosion of Industrial Base

From an address by AFL-CIO President Lane Kirkland at an Industrial Union Dept. conference, Jan. 9, 1981, at the George Meany Center for Labor Studies.

DURING the Seventies, the American economy experienced extended periods of high unemployment, massive layoffs, and plant closings. The growth of the economy slowed, inflation increased, and our balance of payments worsened. These events would have been bad enough if they were purely cylical in nature, with the economy rebounding after a downturn. Underlying these problems, however, was a much more serious and enduring problem. The industrial base of the American economy was in fact eroding.

During the Seventies, the American share of the world market for manufactured goods declined 23 percent, while our share of our own domestic market also declined. As a result of this deindustrialization, at least 2 million industrial jobs have been lost. In the face of this ominous trend, there has been no coherent national policy to reverse it.

We just don't believe that you can write off major industries in this country without paying for it dearly in the future. Nor do we believe that whole cities and regions of America can be allowed to decay, while other regions prosper like Arab sheikdoms, without serious social and economic consequences. It's the height of arrogance to talk in abstract, theoretical terms about letting certain industries disappear and then putting everyone else to work making micro-chips.

IT'S IMPORTANT that America be a diversified industrial nation, not one that just depends upon one or two industries or is dependent upon services. I do not believe that our standards of living will be improved if we allow basic industries to erode.

Nor would the world be better off if each country simply specialized in the production of one product. In the first place, no other country has accepted that idea.

On the contrary, the countries that we point to as having outperformed us economically have taken precisely the opposite course of action. They have generally approached their economic problems with a coherent industrial policy, in which government, labor and business all play key roles. Industries that are considered important to the nation's growth aren't allowed to atrophy in order to demonstrate a country's faith in the principles of free-market economics. And new industries are often given government assistance where the market would prevent them from getting started.

Instead of blindly adhering to economic prescriptions based upon an industrial structure that existed 200 years ago, we should adopt similar procedures to stem the erosion and begin the revitalization of American industry.

Conservatives argue that all we have to do to achieve growth rates comparable to our foreign competitors is to cut taxes in a general fashion. They argue that taxes are so burdensome here in the U.S. that the incentive to save and invest has diminished, thereby causing a long-term slowdown in economic growth. But this notion just doesn't square with reality. As a proportion of gross domestic product, taxes in the U.S. are 29 percent; in France they're 39 percent; in Germany they are 37 percent. Yet these countries have achieved higher rates of growth. If there is a relationship between taxes and growth, this would indicate that it is positive, rather than negative as the supply-siders would like us to believe.

Thus, the idea that we have grown more slowly than other industrial nations because of excessive taxes just isn't true. A general tax cut is not the answer to our problems.

THE TRACK RECORD of general business tax cuts demonstrates they are generally ineffective in stimulating investment or productivity. During the 1970s there were several huge business tax cuts, including liberalized depreciation allowances, an increased investment credit, reduced corporate tax rates, and reduced taxation on capital gains. Yet investment as a proportion of GNP remained substantially constant over this period.

The only assured result of across-the-board tax cuts is that corporate cash flows will increase. Instead of undertaking greater rates of investment here in the U.S., businesses may raise dividends, invest abroad or purchase other companies.

Tax policy—if it's to be a tool for reindustrialization—must be structured in terms of precise and planned goals. It must be flexible and selective, not across-the-board.

Rather than just providing for general across-the-board cuts in depreciation, a new targeted program should be developed. Such a program could be initiated as part of an overall reindustrialization policy.

The need for a tripartite National Reindustrialization Board—including representatives of labor, business, and the government—has not diminished. The amount and type of any tax incentive or accelerated depreciation allowance granted to any company would be determined on a case-by-case basis with some type of certificate of necessity. Investment credits should only be available for increases in investment levels, and tax subsidies should be clearly targeted to needed industrial sectors and regions.

The need for a massive effort to reindustrialize the American economy remains one of our most important priorities.

97th Congress

Labor's Legislative Program Stresses Action to Create Jobs

MEASURES TO PUT Americans back to work and restore the vitality of the nation's productive capacity will be the major thrust of organized labor in the 97th Congress, AFL-CIO Legislative Director Ray Denison said on Labor News Conference.

"There is a constituency for those programs," Denison stressed. He listed specific action to reshape international trade policies, bolster the U.S. auto industry and make a meaningful start on a synthetic fuels program as the keys to a successful session for the new Congress.

Questioned by reporters on the network radio interview, Denison said the labor movement will also put strong emphasis on defending vital worker protections against dangerous cuts and poor administration. He said the "considerable conservative shift" in Congress and the new Administration has put workers, the economy and the entire society in a "much more precarious posture." He warned of a danger in the potential for "regressive legislation and conservative programs that will hurt American workers across the board."

Denison said the AFL-CIO hopes that a "harmonious relationship" will prevail at the department and agency level of the federal government, where the day-to-day operations of programs put on the books by Congress are carried out. "The administration of programs is the area where good laws can fail," he added.

DENISON ACKNOWLEDGED that ultra-conservatives are putting substantial pressure on Congress and that a drive against the labor movement, as an institution, could develop. But, he said, the hope is that "moderate forces will prevail," for there is "no percentage to be gained if warfare on the Hill pits the American labor movement against hard-nosed, right-wing zealots."

Far more important, he asserted, is a sustained effort to move toward a full-employment economy that is built on a stable base. That, he said, will be the key battleground for the labor movement.

Washington Window

By Press Associates, Inc.

AFTER THE NOVEMBER elections, a young congressman named David Stockman went out to California and presented a 23-page scenario to Ronald Reagan. In highly emotional language, Stockman warned Reagan that his Administration faces an "economic Dunkirk" in its first two years.

Apparently mindful of the traditional mid-term swing against the party in the White House, Stockman said Reagan must act boldly and swiftly or else risk a demoralized GOP and lose a "golden opportunity" for conservative change and political realignment by November 1982.

To "dominate" the Washington agenda, Stockman advised, Reagan should declare "a national economic emergency" and enter "fevered consultation" with leaders of Congress on his economic program.

Fortunately, calmer heads prevailed.

TREASURY SEC.-DESIGNATE Donald Regan told the Senate Finance Committee that "we must have a sense of urgency—not a sense of emergency." Former Federal Reserve Chairman Arthur Burns also threw cold water on Stockman's idea, saying it would only "frighten people."

Now that Stockman has become Reagan's budget chief, it is perhaps worth looking at his cast of mind towards federal programs.

In his memo to Reagan, he described the federal budget as "an automatic 'coast-to-coast soup line' that dispenses remedial aid with almost reckless abandon, converting the traditional notion of automatic stabilizers into multitudinous outlay spasms throughout the budget."

ONE ISSUE that bothers Stockman is what he calls the "ticking regulatory time-bomb." During the 1970s, as he sees it, Congress approved a dozen sweeping environmental, energy and safety laws practically devoid of policy standards and sound criteria.

Then the "McGovernite no-growth activists assumed control of most of the relevant sub-Cabinet policy posts during the Carter Administration." These people spent the past four years "tooling up" to implement "a mind-boggling outpouring" of rules.

Rising to his rhetorical climax, Stockman said this decade-long process is now at the point where "it will sweep through the industrial economy with near gale force, preempting multi-billions in investment capital, driving up operating costs, and siphoning off management and technical personnel in an incredible morass of new controls and compliance procedures."

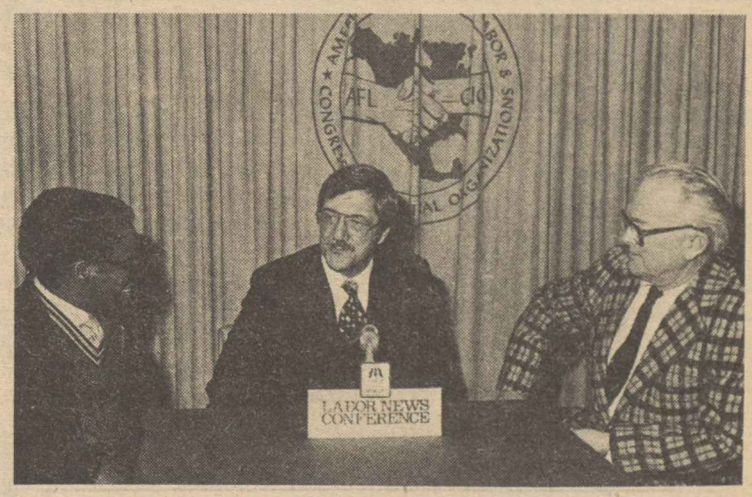
TO EASE OR LIFT the cost of regulations on industry, Stockman would act administratively to defer, revise or rescind existing and pending regulations.

Since only about one-fourth of the federal budget is "controllable," Stockman advised Reagan to focus on the "entitlement" programs that make up most of the remaining 75 percent:

"Current expenditures for food stamps, cash assistance, Medicaid, disability, heating assistance, housing assistance, WIC (child nutrition), school lunches, and unemployment compensation amount to $100 billion. A carefully tailored package to reduce eligibility, overlap and abuse should be developed for these areas —with potential savings of $10-20 billion."

The basic trouble with Stockman's approach is that it adds up costs and ignores benefits.

ON THE BENEFITS side, for example, Douglas Costle, former administrator of the Environmental Protection Agency, points out that an investment of $200,000 at the Life Sciences plant in Hopewell, Va., would have made it safe to produce Kepone. Failure to make it safe led to contamination of workers and the James River. Judgments against Life Sciences total $12 million and EPA estimates it would cost $8 billion to clean up the James, if it can ever be done.



JOBS FOR THE UNEMPLOYED in a stable economy will be the focus of organized labor's efforts in the 97th Congress, AFL-CIO Legislative Director Ray Denison, center, said on Labor News Conference. He was questioned by Warren Brown, left, of the Washington Post and Neil MacNeil of Time Magazine. The AFL-CIO produced public affairs interview is broadcast weekly over the Mutual radio network.



UNION'S CONCERN for victims of earthquakes in Italy is expressed in a check for $5,000 presented by Transport Workers President William G. Lindner, left, and Sec.-Treas. Roosevelt Watts to the New York State AFL-CIO's eathquake relief fund. The contribution is accepted by E. Howard Molisani, at right, secretary-treasurer of the state federation.

House Committee Lineups Reflect GOP Election Gain

(Continued from Page 1)

reduced from 27-15 to 26-19. Fernand J. St. Germain (R.I.) is the new chairman, succeeding Henry S. Reuss (Wis.), who chose to head the Joint Economic Committee. J. William Stanton remains senior Republican.

BUDGET—Changes from 17-8 to 18-12 Democratic and takes a conservative tilt with Jim Jones (Okla.) becoming chairman while Delbert L. Latta (Ohio) stays as senior Republican.

EDUCATION & LABOR — Changes from 23-13 to 19-14 Democratic. Carl D. Perkins (Ky.) remains chairman and John M. Ashbrook (Ohio) stays the ranking Republican.

ENERGY & COMMERCE — Goes from 27-15 to 24-18 Democratic. John D. Dingell (Mich.) moves up to chairman and James T. Broyhill (N.C.) becomes the senior Republican.

FOREIGN AFFAIRS—Changes from 22-12 to 20-15 Democratic. Clement J. Zablocki (Wis.) is again chairman and William S. Broomfield (Mich.) remains the ranking Republican.

GOVERNMENT OPERATIONS—The Democratic margin shifts from 25-14 to 23-17. Jack Brooks (Tex.) continues as chairman and Frank Horton (N.Y.) as senior Republican.

INTERIOR & INSULAR AFFAIRS—Party ratio still to be decided. Morris K. Udall (Ariz.) remains chairman; Manuel Lujan, Jr. (N.M.) becomes senior Republican.

JUDICIARY—Party ratio still to be decided. Peter W. Rodino, Jr. (N.J.) is again chairman, with Robert McClory (Ill.) ranking Republican.

MERCHANT MARINE & FISHERIES—The party lineup shifts from 25-14 to 21-15 Democratic. The new chairman is Mario Biaggi (N.Y.) and Gene Snyder (Ky.) is listed as ranking Republican.

POST OFFICE & CIVIL SERVICE—The Democratic majority is trimmed from 16-9 to 15-11. William D. Ford (Mich.) becomes chairman and Edward J. Derwinski (Ill.) stays the senior Republican.

PUBLIC WORKS & TRANSPORTATION—Changes from 31-17 to 25-19 Democratic. James J. Howard (N.J.) becomes chairman and Don H. Clausen (Calif.) is the new ranking Republican.

RULES—Stays 11-5 Democratic, with Richard Bolling (Mo.) continuing as chairman and James H. Quillen (Tenn.) as senior Republican.

SCIENCE & TECHNOLOGY — Goes from 27-15 to 23-17. Don Fuqua (Fla.) remains chairman and Larry Winn, Jr. (Kan.) becomes senior Republican.

WAYS & MEANS—Charges from 24-12 to 23-12 Democratic. The new chairman is Dan Rostenkowski (Ill.), and Barber B. Conable, Jr. (N.Y.) remains ranking Republican.

Indiana Cited for Laxity

OSHA Acts on Backlog Of Safety, Health Issues

The Occupational Safety & Health Administration has moved to lift the charter on Indiana's job safety and health plan, which the state has operated for the past six years.

Citing a "consistent pattern of poor performance in critical program areas," OSHA filed a formal complaint in the Federal Register—one in a series of steps to have certification of the Indiana plan withdrawn.

THE INDIANA PLAN has been under fire for several years from workers and unions on charges that workplace hazards were either totally ignored or glossed over.

In 1977, the AFL-CIO, along with the state federation, the Steelworkers and other affiliates, petitioned OSHA for the withdrawal of the Indiana plan.

The action against the Indiana plan was among a flurry of labor-backed measures by outgoing OSHA officials who left office Jan. 20. Other actions included:

- A final "walk-around" rule requiring employers to pay workers who accompany OSHA compliance officers on workplace inspections.
- Proposed safety and health regulations designed to improve protections for some 680,000 workers involved in onshore marine cargo-handling.
- Scheduling of hearings and extending the comment period on a proposed conveyor safety standard to reduce hazards.

THESE AND several other measures issued during the past month are likely to get close scrutiny from the incoming OSHA officials to be appointed by the Reagan Administration.

In filing its complaint against the Indiana plan, OSHA charged that the state failed to employ enough qualified industrial hygienists, resulting in an inadequate health enforcement program.

OSHA also cited Indiana for overlooking serious workplace hazards, proposing unduly light penalties for violations, and for not upgrading workers' rights in line with changes in the federal program.

THE 1970 JOB safety law stipulates that state plans must be "at least as effective" as the federal occupational safety and health program if they are to govern within the state instead of the federal program. State plans that are certified by OSHA receive 50 percent federal funding.

The walk-around pay rule was originally issued by OSHA in 1978, but an appeals court vacated the regulation last November after it was challenged by employers. The agency reissued the rule after carrying out administration procedures cited by the court. In addition to full earnings, the rule requires that the worker receive all other benefits and rights during the walk-around period.

In announcing the marine cargo-handling safety proposal, outgoing Assistant Labor Sec. Eula Bingham pointed out that the injury rate is far greater for marine terminal workers than in many other private sector industries.

HEARINGS ON the conveyor safety standard will be held in Washington, May 5-7, and followed by regional hearings in Chicago, May 12-14, ans Los Angeles, May 19-21.

OSHA said that in 1976 alone, 16,720 lost-time injuries were related to conveyors. The agency estimated that the cost of these injuries, including compensation claims, legal fees, lost income and other charges, amounted to $235 million.

Equity Members Weigh Plan To Shore Up Dues Structure

New York—Actors' Equity members are voting on proposals that would raise dues for professional stage actors for the first time since 1973. Action to submit alternative plans for a dues increase to the membership was approved at the Equity's national membership meeting here Jan. 9.

Willard Swire, the union's executive secretary, said the need for a dues increase grew out of a "fiscal crisis" brought on by a "serious financial deficit."

WHILE THE UNION'S membership has increased since 1973 from 15,000 to 27,000 and employment of Equity actors was 13,000 in 1980 compared to only 9,000 in 1973, and the union's operating income needed to pay fixed expenses as well as provide expanded services has not kept pace, Swire told the delegates.

Two dues proposals have been submitted for a vote of ballots mailed Jan. 23 which must be returned by Feb. 27. Plan A, developed by a committee of the union's executive council, has the unanimous recommendation of the council. Plan B, a revision of the union's existing dues structure, also appears on the ballot as an alternative, but does not carry a recommendation.

The new proposal provides for basic dues of $1 per week payable annually by all Equity members. In addition, a 2 percent charge will be levied on an actor's earnings payable to Equity while the member is working. "Working dues" will be paid by checkoff.

TO EASE THE dues burden on actors who are not employed, Plan A provides that members who earn less than $5,000 will receive a credit of one-half percent of their Equity income in the following year.

Actors who earn more than $100,000 a year under Equity contracts will receive a rebate of any dues collected in excess of $2,000 in that year.

Plan B, a revision of the current dues system, would provide for collection of dues based on a sliding scale tied to income. Dues would be paid directly by the member.

The current system is based on 10 categories of Equity income ranping from none to $25,000 or more a year. The new plan would establish 16 categories from no income to over $50,000 per year. Dues at the low end of the scale would be increased from $42 to $52 per year, and at the top from $400 to $1,000.

Labor Stresses Job Needs in '80s 'Agenda'

(Continued from Page 1)

Union Women; President Dorothy I. Height of the National Council of Negro Women; NAACP Executive Director Benjamin L. Hooks, and Consumers Union Executive Director Rhoda H. Karpatkin.

Their statement cited the need for public investment to support balanced economic growth.

"Selective, targeted stimulus programs —employment and training programs, investment incentives and credit regulations —are more efficient in promoting economic growth, in raising productivity, and in fighting inflation," they said. Further, such policies "are more fair in terms of income distribution than general across-the-board tax cuts or restrictive fiscal and monetary policies," the statement declared.

COMMISSION CHAIRMAN William J. McGill, president-emeritus of Columbia University, expressed satisfaction that such a diverse group had reached a general consensus on a large number of important issues during its 13-month exploration.

One of the controversial conclusions of the McGill commission was that the nation should accept the fact that production and employment are shifting from the older cities of the Northeast to the Sunbelt. Rather than seeking to stem the tide, the commission said, "we should try to help people bear their often painful burdens and, as quickly as possible, facilitate transition to new locations and jobs."

THE SIGNERS of the supplementary statement, however, contended that "it is essential to maintain and revitalize America's urban areas as centers for economic, social and cultural activity."

The supplementary report was made public by the AFL-CIO and was included in an appendix to the commission's report. These were some of the other points it made:

- An agenda for the Eighties should include a continuing examination of economic concentration and the effects of corporate power on employment, prices, income distribution and the U.S. role in the world.
- U.S. trade policy should "contribute to a health and diversified economy."
- The commission properly urged federalizing of the welfare system and a minimum security income for all Americans. The signers urged that the minimum payment be raised to the poverty level by the end of the decade and that food stamp assistance be continued until that is done, instead of being ended.
- On health care, the signers agreed with the commission's conclusion that the delivery of health care is "woefully inadequate," but balked at the inadequate remedies proposed. These included insurance for catastrophic insurance and "consumer choice" health insurance plans that the supplementary statement said would make the problem worse. Instead, it called for a comprehensive national health care system.

APART FROM its specific recommendations, the commission report included demographic projections for a "Portrait of America in the Eighties."

It projected "a gradual aging of the American population, starting slowly in the Eighties and reaching a peak in the early decades of the new century.

But it also foresees "a baby boom echo" that will result in a 36 percent increase in the number of pre-schoolers during the Eighties.

Seniors Press for National Health Plan

A strong resolution calling for a comprehensive national health plan was adopted by delegates to a conference on health security as a preliminary to the 1981 White House Conference on Aging.

The mini-conference on national health security, held in Washington, D. C., to prepare recommendations for the White House meeting, was sponsored jointly by the National Council of Senior Citizens and the American Association of Retired Persons/National Retired Teachers Association.

CO-SPONSORS included the AFL-CIO, the Auto Workers, the National Center on Black Aged, the Gray Panthers, the National Council on Aging and the Asociacion Nacional Pro Personas Mayores.

No specific legislation was endorsed by the 350 delegates to the one-day conference, which focused on the health care problems of the elderly. The delegates adopted a broad resolution, introduced by NCSC President Jacob Clayman, former president of the AFL-CIO Industrial Union Dept.

The resolution called for universal coverage of individuals of all ages and income levels without deductibles, cost-sharing or co-payment requirements.

FULL COVERAGE should be provided for both acute and preventive care by hospitals and doctors, the resolution said. This should include social and medical services, health maintenance and long-term care, as well as other services not now covered by Medicare such as preventive physical and mental health services, drugs and medication, dental treatment, eye care, foot care and long-term care.

Strict health care cost controls are essential along with minimum standards of quality, the resolution urged.

Coverage of treatment at health maintenance organizations should be provided as well as other "alternative methods" of health care in addition to treatment by private physicians, the delegates agreed.

The resolution called for assumption of underwriting risks for health care plans by the federal government rather than the private sector and opposed an income test for plan participants.

Bert Seidman, AFL-CIO social security director, told the conference the federation believes the enactment of a comprehensive national health insurance program is essential to guarantee the individual's basic right of access to quality health care.

Comprehensive national health insurance could reduce administrative costs well below what is now being spent for Medicare, Medicaid and private insurance and encourage effective hospital cost containment without adversely affecting the wages of low-paid hospital workers, Seidman said.

The director of the labor-supported Committee for National Health Insurance, Mel Glasser, discussed proposals expected to become before the new Congress for a "catastrophic" health insurance program.

SUCH BILLS, Glasser observed, seem to "define 'catastrophic' in terms of the guy who makes $50,000, not the guy who makes $10,000." One bill before the Senate Finance Committee, he noted, called for consumers to pay the first $18,000 in costs "and then the insurance would pick up the rest of the charges so you wouldn't go broke."

Although that proposal was revised, the fact that such plans emphasizing high deductibles and low quality controls are seriously introduced underscores the need for continued action by retirees, workers and consumer organizations for universal health security coverage "for every man, woman and child in the United States," Glasser stressed.

Will Duncan, executive assistant to the director of the A. Philip Randolph Institute, challenged the "myth about hospital costs" that blames unions and hospital workers for inflation in fees.

"HOSPITAL WORKERS still lag behind in wages compared to workers in other fields," Duncan pointed out. He laid the blame for high health care costs on opposition to national health insurance organized by the medical industry lobbies as well as "duplication, inefficiency and unnecessary hospitalization and surgery" permitted by the medical profession.

"No social issue should have higher priority than the enactment of a national health plan," Duncan urged.

Other speakers at the conference included Esther Peterson, former special assistant to the President for consumer affairs; Nelson H. Cruikshank, former White House counsellor on aging and past president of the NCSC; Dr. Victor E. Sidel, chairman of the Dept. of Social Medicine, Albert Einstein College of Medicine; Donald F. Riley, deputy director, National Council on Aging; Dr. John Hollomon, former staff adviser to the House Ways & Means health subcommittee; Tish Sommers, president, Older Women's League educational fund; Cyril F. Brickfield, executive director, AARP; and Jerome Waldie, executive director, White House Conference on Aging.

Rosters of Key House Committees

These are some of the House committees having the biggest impact on labor's legislative program. The membership of several other important committees had not yet been designated when the AFL-CIO News went to press. New committee members are identified by asterisks.

Education & Labor

Democrats

Carl D. Perkins (Ky.), Chairman
Augustus F. Hawkins (Calif.)
William D. Ford (Mich.)
Phillip Burton (Calif.)
Joseph M. Gaydos (Pa.)
William (Bill) Clay (Mo.)
Mario Biaggi (N.Y.)
Ike F. Andrews (N.C.)
Paul Simon (Ill.)
George Miller (Calif.)
Austin J. Murphy (Pa.)
Theodore S. Weiss (N.Y.)
Baltasar Corrada (Puerto Rico)
Dale E. Kildee (Mich.)
Peter A. Peyser (N.Y.)
Pat Williams (Mont.)
William R. Ratchford (Conn.)
Ray Kogovsek (Colo.)
Harold Washington (Ill.)*

Republicans

John M. Ashbrook (Ohio)
John N. Erlenborn (Ill.)
James M. Jeffords (Vt.)
William F. Goodling (Penn.)
E. Thomas Coleman (Mo.)
Kenneth B. Kramer (Colo.)
Arlen I. Erdahl (Minn.)
Thomas E. Petri (Wis.)
Millicent Fenwick (N.J.)*
Marge Roukema (N.J.)*
Larry DeNardis (Conn.)*
Larry E. Craig (Ida.)*
Eugene Johnston (N.C.)*
Vacancy

Ways & Means

Democrats

Dan Rostenkowski (Ill.), Chairman
Sam Gibbons (Fla.)
J. J. Pickle (Tex.)
Charles B. Rangel (N.Y.)
William R. Cotter (Conn.)
Fortney H. Stark (Calif.)
James R. Jones (Okla.)
Andrew Jacobs, Jr. (Ind.)
Harold E. Ford (Tenn.)
Ken Holland (S.C.)
William M. Brodhead (Mich.)
Ed Jenkins (Ga.)
Richard A. Gephardt (Mo.)
Thomas J. Downey (N.Y.)
Cecil Heftel (Hawaii)
Wyche Fowler, Jr. (Ga.)
Frank J. Guarini (N.J.)
James M. Shannon (Mass.)
Marty Russo (Ill.)
Donald J. Pease (Ohio)*
Kent Hance (Tex.)*
Robert T. Matsui (Calif.)*
Vacancy

Republicans

Barber B. Conable, Jr. (N.Y.)
John J. Duncan (Tenn.)
Bill Archer (Tex.)
Guy Vander Jagt (Mich.)
Philip M. Crane (Ill.)
Bill Frenzel (Minn.)
James G. Martin (N.C.)
L. A. (Skip) Bafalis (Fla.)
Richard T. Schulze (Penn.)
Willis D. Gradison, Jr. (Ohio)
John H. Rousselot (Calif.)
W. Henson Moore (La.)

Rules

Democrats

Richard Bolling (Mo.), Chairman
Claude Pepper (Fla.)
Gillis W. Long (La.)
Joe Moakley (Mass.)
Shirley Chisholm (N.Y.)
Leo C. Zeferetti (N.Y.)
Butler Derrick (S.C.)
Anthony C. Beilenson (Calif.)
Martin Frost (Tex.)
David E. Bonior (Mich.)*
Tony P. Hall (Ohio)*

Republicans

James H. Quillen (Tenn.)
Delbert L. Latta (Ohio)
Trent Lott (Miss.)
Gene Taylor (Mo.)
John J. Rhodes (Ariz.)*

Budget

Democrats

Jim Jones (Okla.), Chairman
Jim Wright (Tex.)
David R. Obey (Wis.)
Paul Simon (Ill.)
Norman Y. Mineta (Calif.)
Jim Mattox (Tex.)
Stephen J. Solarz (N.Y.)
Timothy E. Wirth (Colo.)
Leon Panetta (Calif.)
Richard A. Gephardt (Mo.)
Bill Nelson (Fla.)
Les Aspin (Wis.)*
Brian Donnelly (Mass.)*
Beryl Anthony (Ark.)*
Phil Gramm (Tex.)*
William Hefner (N.C.)*
Adam Benjamin (Ind.)*
Tom Downey (N.Y.)*

Republicans

Delbert L. Latta (Ohio)
Ralph S. Regula (Ohio)
E. G. Shuster (Pa.)
Bill Frenzel (Minn.)
Eldon D. Rudd (Ariz.)
Paul S. Trible, Jr. (Va.)*
Ed Bethune (Ark.)*
Lynn M. Martin (Ill.)*
Albert Lee Smith (Ala.)*
Eugene Johnston (N.C.)*
Bobbi Fiedler (Calif.)*
Vacancy

Appropriations

Democrats

Jamie L. Whitten (Miss.), Chairman
Edward P. Boland (Mass.)
William H. Natcher (Ky.)
Neal Smith (Iowa)
Joseph P. Addabbo (N.Y.)
Clarence D. Long (Md.)
Sidney R. Yates (Ill.)
David R. Obey (Wis.)
Edward R. Roybal (Calif.)
Louis Stokes (Ohio)
Tom Bevill (Ala.)
Bill Chappell, Jr. (Fla.)
Bill Alexander (Ark.)
John P. Murtha (Pa.)
Bob Traxler (Mich.)
Joseph D. Early (Mass.)
Charles Wilson (Tex.)
Lindy Boggs (La.)
Adam Benjamin, Jr. (Ind.)
Norman D. Dicks (Wash.)
Matt McHugh (N.Y.)
Bo Ginn (Ga.)
William Lehman (Fla.)
Jack Hightower (Tex.)
Martin Sabo (Minn.)
Julian C. Dixon (Calif.)
Vic Fazio (Calif.)
William Hefner (N.C.)
Les AuCoin (Ore).*
Daniel Akaka (Hawaii)*
Wes Watkins (Okla.)*
William H. Gray (Pa.)*
Bernard Dwyer (N.J.)*

Republicans

Silvio Conte (Mass.)
Joseph M. McDade (Pa.)
Jack Edwards (Ala.)
John T. Myers (Ind.)
J. Kenneth Robinson (Va.)
Clarence E. Miller (Ohio)
Lawrence Coughlin (Pa.)
C. W. (Bill) Young (Fla.)
Jack Kemp (N.Y.)
Ralph S. Regula (Ohio)
Clair W. Burgener (Calif.)
George M. O'Brien (Ill.)
Virginia Smith (Neb.)
Eldon D. Rudd (Ariz.)
Carl D. Pursell (Mich.)
Mickey Edwards (Okla.)*
Robert L. Livingston (La.)*
S. William Green (N.Y.)*
Tom Loeffler (Tex.)*
Jerry Lewis (Calif.)*
Carroll Campbell, Jr. (S.C.)*
John E. Porter (Ill.)*

30,000 in SEIU Win Pay Boosts, Security Gains

New York—A new three-year contract providing substantial wage and job security benefits to 30,000 workers in this city's commercial buildings has been concluded between Local 32B-32J of the Service Employees and the Realty Advisory Board on Labor Relations.

Announcing the agreement, which averted a citywide strike, Local President John J. Sweeney, who also heads the SEIU, characterized negotiations as one of the most difficult in the union's 46-year history.

THE CONTRACT covers maintenance workers, security guards, porters, elevator starters and operators, and others.

Highlights include wage increases of $26 a week effective Jan. 1, 1981, an additional $27 per week increase beginning Jan. 1, 1982, and a further increase of $28 a week starting Jan. 1, 1983. An additional $2-a-week differential in each year of the contract is provided for certain job classifications.

Among benefit improvements are an increase in the maximum pension to $300 a month and a cost-of-living increase for retired members, an improved dental program, an increase in life insurance to $8,000, a maintenance drug plan, and increased contributions to the union's training and safety fund through which scholarships, job training and safety protection are provided.

Cost-of-living clauses providing adjustments effective Jan. 1, 1982, and Jan. 1, 1983, based on increases in the consumer price index, are also included.

SWEENEY SAID the union had won precedent-setting safeguards for employees who fill in for absent workers and against reduction in force, both of which have been trouble areas for the union's members in recent years.

"We are happy to have secured this contract without a strike because we have always been deeply concerned about the inconvenience suffered by New Yorkers and the hardship experienced by our members and their families when there is a work stoppage," he said.

Humphrey-Hawkins Abandoned

Economic Report Drops Full Employment Goal

(Continued from Page 1)

the Carter projections assume a real annual GNP increase of 3.7 percent.

As one way of reaching the Humphrey-Hawkins inflation and unemployment goals, the Carter Administration suggested a tax-based incomes policy that would provide rewards for complying with voluntary wage and price guidelines.

"Broadly, we have concluded that an approach which provided a tax reduction to workers in firms whose average pay increase did not exceed some standard, set as part of a voluntary incomes policy, would be feasible and effective in helping to lower inflation," the President said in a message accompanying the CEA report. He insisted however, that such a policy should be considered only as a supplement to fiscal and monetary restraints. He added that it ought to be carried out only on a temporary basis.

"AFTER SEVERAL years, such a program might cease to be effective, and could induce significant distortions into wage relationships throughout the economy," Carter observed.

The President expressed strong reservations about a tax cut at this time.

"I do not believe that we should now commit budgetary resources to large-scale personal tax cuts, which will stimulate consumption far more than investment, and thereby foreclose the possibility of meeting the nation's critical investment requirements," he said.

Separately, in his final State of the Union message to Congress, Carter said "the persistent inflationary pressures that beset our economy today dictate a restrained fiscal policy." Accordingly, he said, Congress should postpone until Jan. 1, 1982, the personal tax reductions he had earlier proposed to take effect on Jan. 1 of this year.

THERE WAS NO immediate reaction to the Carter Economic Report from the new Reagan Administration. During the election campaign, Reagan's repeated call for a sharp reduction in income taxes became the mainstay of his economic policy.

Rep. David Stockman (R-Mich.), Reagan's nominee as director of the Office of Management & Budget, seemed to question the Carter Administration's modest economic recovery projections for this year and next, however, saying that its forecast was too optimistic.

In his State of the Union message, Carter asked Congress to enact several domestic legislative proposals that he had earlier recommended. These included bills to establish a national health insurance program, overhaul the welfare system, improve medical care for children, and increase training and education programs for jobless youths.

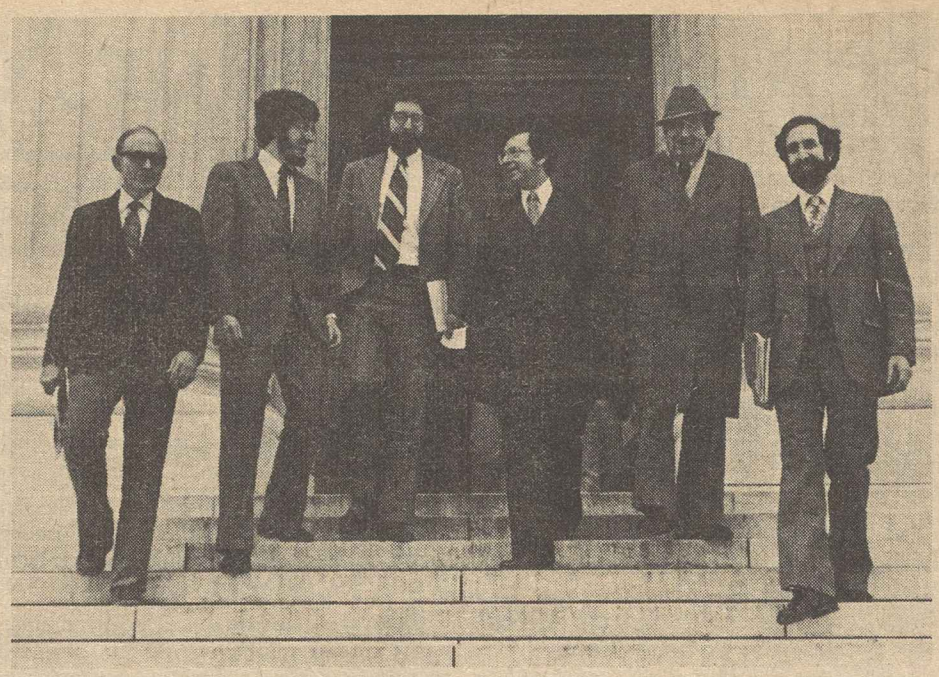
AMONG HIS achievements over the past four years, the outgoing President listed an 11 percent rise in employment, or almost 9 million new jobs added to the nation's economy.

"Not only were jobs provided for a sharply rising population reaching working age, but job opportunities were opened up by the millions for new second earners, principally women," he said. "Neither Europe nor Japan came even close to the job performance of the American economy," Carter observed.

He cited these other gains:

- The National Accord with the AFL-CIO, giving workers a voice in the formulation of economic and domestic policies.
- An increase in the minimum wage over a four-year period from $2.30 to $3.35 an hour.
- Substantial reforms of the Occupational Safety & Health Administration to help reduce unnecessary burdens on business and to focus on major job hazards.
- Defeat of attempts to weaken the Davis-Bacon prevailing wage law.
- Enactment of the Mine Safety & Health Act, which brought about improved working conditions for the nation's 500,000 miners.

Carter also said that "clear progress" had been made in restoring confidence in the government's integrity, in moving toward a comprehensive national energy policy, and in pursuit of human rights around the world.



DEFENSE OF AN EFFECTIVE cotton dust standard, under attack by employer groups, brought labor safety specialists and lawyers to the Supreme Court for oral arguments. From left, are George Perkel of the Mt. Sinai School of Medicine, Attorneys Jeremiah A. Collins, Robert E. Weinberg and George H. Cohen, AFL-CIO Safety Director George H. R. Taylor and Safety Director Eric Frumin of the Clothing & Textile Workers. Cohen delivered the oral arguments on behalf of the AFL-CIO, Industrial Union Dept. and ACTWU.

Total Output Drops in 1980 Despite 4th-Quarter Surge

(Continued from Page 1)

showed that "real" GNP increased at an annual rate of 5 percent during the final three months of 1980. Neither that nor the 2.4 percent rise of the third quarter was enough, however, to offset the record 9.9 percent plunge in the second quarter. The economy gained at a 3.1 percent rate in the first quarter of the year.

GNP is the dollar value of all goods and services produced in the country. Before adjustment for inflation, but after adjustment for seasonal change, GNP during the October-December period stood at $2.741 trillion, up from the third quarter's $2.637 trillion. After adjustment for inflation since 1972, "real" GNP rose to $1.490 trillion, up from the third quarter's $1.472 trillion.

WHILE THE fourth-quarter real GNP gain was the economy's strongest showing in two years, most analysts expect a slowdown in activity during the first part of 1981.

In its 1981 Economic Report to Congress, former President Carter's Council of Economic Advisers gave this growth forecast: "Overall, it is likely that real GNP will be essentially flat in the first half of the year, with a distinct possibility of one quarter of actual decline.

"After midyear, the pace of activity should pick up, although by historical standards growth will remain modest for a period of recovery."

THE CARTER prognostications will be affected, however, by the new Reagan Administration's economic moves, including planned tax reductions and government spending cuts. These would influence output and determine the direction of unemployment, now at 7.4 percent. Reagan is expected to enunciate his economic policy in the next few weeks.

The GNP figures showed that growth in the fourth quarter was due principally to continued high spending by consumers and private businesses.

Tight inventories explain much of the difference between the third- and fourth-quarter growth rates.

Final sales, adjusted for inflation since 1972, rose 3.7 percent in the fourth quarter, roughly the same as the 4.1 percent rate of gain in the third quarter. But more of those sales came out of inventories in the third period. In the October-December quarter, businesses had to increase production to meet demand.

FEDERAL GOVERNMENT purchases, which decreased in the third quarter, rose a modest $2 billion in the final quarter. Business fixed investment increased $3.9 billion in constant 1972 dollars. Net exports, adjusted for inflation, declined by $4.7 billion after rising in the third quarter.

The over-the-year decline in real GNP was the first drop in economic growth since 1975, when the measure fell by 1.1 percent. In 1976, the economy grew 5.4 percent; in 1977 by 5.5 percent; in 1978 by 4.8 percent, and in 1979 by 3.2 percent.

Inflation worsened during the fourth quarter, the GNP data showed. As measured by a GNP price measure, a broadly based index known as the "deflator," inflation was at an annual rate of 11.2 percent in the October-December period, up from less than 10 percent in the previous three quarters.

Possibly a result of rising inflation, Americans managed to save less of their earnings in the last quarter of 1980. The Commerce Dept. said the U.S. personal savings rate dropped to 5.6 percent of disposable income during the fourth quarter. The rate was 6.1 percent in the third quarter, 6.2 percent in the second, and 4.9 percent in the first quarter.

Reagan Hews to Conservative Approach

(Continued from Page 1)

initially considered a controversial Cabinet choice, was confirmed by a bipartisan 93-6 majority.

The new President hewed close to the mainstream in his reaffirmation of "support and firm commitment" to America's traditional allies. And he cautioned "potential adversaries" that Americans will "negotiate" for peace and even "sacrifice" for peace. But "we will not surrender for it—now or ever," he declared.

Reagan spoke of "equal opportunities for all Americans with no barriers born of bigotry or discrimination," of putting "all Americans back to work" and of a "new beginning" in which no groups would have to make a disproportionate sacrifice and "all must share in the bounty of a revived economy."

In one of his first actions as President, Reagan requested the resignations of Carter appointees still in office and formally ousted the inspectors general of the various departments—a move that required notification to Congress. The posts were set up as a watchdog over fraud and waste in government programs. A White House spokesman said the inspectors would be replaced by "a Reagan team."

He also directed a virtually total freeze on new government civilian hiring, tightening a partial freeze that had been imposed by former President Carter.

David A. Stockman, who will head the Office of Management & Budget, said the new Administration will seek to hold up all new federal regulations "we legally and technically can," for further review.

BY THE FIRST DAY of the Reagan Administration, all but one of the President's Cabinet appointees had been cleared by Senate committees and either had been confirmed or were expected to be confirmed by large margins.

The Senate Labor & Human Resources Committee put off a scheduled vote on confirmation of Raymond J. Donovan as Secretary of Labor to allow completion of an FBI check on his activities as an executive of a New Jersey construction company.

But Committee Chairman Orrin G. Hatch (R-Utah) said the FBI had not found any substantiation for allegations made against Donovan, and he anticipated early approval of the nomination.

AS WAS THE case four years ago, when Democrat Jimmy Carter succeeded Republican Gerald Ford, the transition was accomplished with a minimum of abrasiveness. And President Reagan opened his inaugural address with his personal thanks to Carter for his "gracious cooperation in the transition process."

There was, of course, a unique element in this transition resulting from the round-the-clock negotiations that led to the freedom of America's hostages in Iran just moments after the inauguration. It was thus as the personal emissary of the new President that Jimmy Carter flew to greet the returnees whose freedom he was instrumental in achieving.

Labor Mourns Celler As Civil Rights Ally

Brooklyn, N.Y.—Former Congressman Emanuel Celler, who worked for the passage of numerous labor-backed measures while representing his home Brooklyn district in the House for 50 years, died of pneumonia Jan. 15. He was 92.

In a message to his daughter, Mrs. Jane Wertheimer, AFL-CIO President Lane Kirkland noted that "the American labor movement stood with your father as he guided enactment of civil rights laws that breached the barriers to fulfilling the nation's commitment to liberty and justice for all. We admired his passionate defense of our economic system against those who would monopolize various sectors of that system."

1/24/81

Correspondence about address corrections should be sent with attached mailing label to: Subscriptions, Room 209, 815 16th Street, N.W., Washington, D.C. 20006.

Modest Gains Recorded in State Legislatures

By Susan Dunlop

Labor scored modest gains in most of the 44 state legislatures that met last year, suffered a few setbacks, and successfully resisted a number of attempts to roll back past achievements.

State legislatures and comparable bodies in the District of Columbia and Puerto Rico acted on minimum wages, collective bargaining, labor standards and workers' compensation laws, among others.

A LABOR DEPT. survey and reports from AFL-CIO state central bodies also note legislative interest in such matters as sex harassment on the job, restrictions on the use of "lie detectors" to screen employees, and proposals to bar state contracts to companies that violate national labor law. But in many cases, the legislative action did not go beyond committee hearings.

AFL-CIO News

LABOR'S CENTENNIAL AFL-CIO 1881-1981

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Union-supported efforts to get ratification of the Equal Rights Amendment to the Constitution failed in Illinois and Virginia, leaving the tally still three short of the 38 states needed.

Minimum wage rates were increased in five jurisdictions in 1980—California, the District of Columbia, Oklahoma, Virginia and West Virginia, the Labor Dept. said. The actual number of increases was greater since 21 jurisdictions raised their minimums based on prior action.

Fifteen states now have a minimum wage of $3.10 an hour, and 13 will match the federal minimum increase of $3.35 an hour which took effect Jan. 1, 1981. Only Alaska, Connecticut, and certain industries in the District of Columbia post minimums higher than the federal rate, the Labor Dept. reported.

New protections were adopted in Nebraska and Wisconsin to sharply curtail the use of so-called "lie detectors" or similar "truth test" equipment in hiring.

THE NEBRASKA law requires licensing of polygraph operators and forbids use of the tests as a mandatory condition of employment, except in the case of law enforcement officers.

The Wisconsin statute requires written consent to the tests following notice that submission to the examination is voluntary.

Both laws expressly forbid asking ques-

(Continued on Page 7)

1980 Buying Power Down 4.8%



TRADE UNIONISTS and staff members of the AFL-CIO and Washington-based unions were among the nearly half-million persons welcoming the 52 liberated Americans who had been held hostage in Iran. Buildings decked with yellow ribbons, like the massive one strung up at the AFL-CIO headquarters (inset), helped mark the welcome. The returnees were also greeted by a giant American flag, the size of two football fields, that 100 volunteer Iron Workers spread out at Andrews Air Force Base before the motorcade of buses brought them to the nation's capital.

Real Wages Cut Deeply By Inflation

By James M. Shevis

Inflation raged through the economy at a double-digit rate in 1980 for the second straight year, causing workers' purchasing power to plummet 4.8 percent, the Bureau of Labor Statistics reported.

The 12.5 percent jump in the government's consumer price index last year was an improvement over 1979's rate of 13.4 percent, but was still the second-worst inflation rate for the nation since 1946. Not since 1918-19 had the inflation rate exceeded 10 percent for two years in a row.

THE HUGE RISE in consumer prices, coupled with higher taxes, combined to bring about the reduction in workers' real spendable pay, or purchasing power. Real spendable earnings are take-home pay adjusted for the impact of inflation. The 4.8 percent drop last year compared with a 5.3 decline in 1979.

The average earnings of all non-supervisory workers in private, non-farm jobs were $246.03 a week in current dollars at the end of 1980, up $17.91 from the December 1979 average. Adjusted for inflation, and expressed in terms of 1967 dollars, however, the average worker's real weekly pay was $94.85—a decrease of $4.03 from a year earlier.

While inflation and recession eroded weekly earnings by $4.03, higher taxes—both social security and income taxes on the higher weekly pay—reduced earnings by 38 cents a week, assuming the tax burden borne by a worker with three sependents.

(Continued on Page 6)

'80 Settlements Boost Pay 9.5% In First Year

Major contract settlements in 1980 provided union workers with wage increases averaging 9.5 percent in the first year, up from 7.4 percent in 1979, the Bureau of Labor Statistics reported.

Averaged over the life of the contracts, the pay boosts came to 7.1 percent a year, again higher than the 6 percent average for settlements negotiated in 1979.

The figures do not include estimates of potential wage increases under cost-of-living clauses. As in the past, 1980 settlements which contained COL provisions tended to be smaller than for contracts without such clauses.

FIRST-YEAR increases in agreements without COL clauses averaged 11.8 percent, up from 9.1 percent in 1979. This compares with 8 percent for contracts with COL adjustments, up from 6.2 percent in 1979.

Averaged over the life of the contracts, the annual rates in 1980 were 5 percent for pacts with COL clauses and 10.4 percent for those without; the comparable rates of increase in 1979 were 4.6 and 8 percent.

The report for 1980 covered 3,720,000 workers in 793 private bargaining units of 1,000 workers or more—the Labor Dept.'s definition of a major agreement. About 61 percent of the workers covered by these

(Continued on Page 8)

Kirkland Pledges Drive To Fund Key Programs

Blacks and other minorities that suffer disproportionately from poverty and discrimination would also be the chief victim of federal budget slashes, AFL-CIO President Lane Kirkland charged.

Kirkland told the executive board of the A. Philip Randolph Institute that the labor and civil rights coalition which worked together for social justice must now do battle to assure adequate funding for programs to carry out these goals.

A COMMITMENT to equality goes beyond the basic civil rights statutes, Kirkland stressed.

Thus, aid to education, maternal health and child nutrition programs are needed "because those who are behind at the start of life frequently never catch up," he said.

Kirkland noted also that "a greater percentage of those who cannot afford decent housing are black or brown," health disparities exist and "minority Americans are standing in unemployment lines at twice the rate of white Americans."

MANY OF THOSE who now demand "a reduced federal role" have themselves prospered from various forms of government subsidies, Kirkland said. And attacks on government programs as "wasteful" or "inefficient," he said, ignore the much greater inefficiency of unemployment.

Kirkland made the distinction between accepting gracefully a political defeat and acquiescing in a rollback of past gains.

Both the trade union movement and the black community sought a different election outcome, Kirkland noted. "Yet we all accept the result in good spirit, as a testament of our system and to the ulti-

(Continued on Page 6)

Talks with Japan Proposed To Resolve Trade Issues

Tokyo—Frank discussions and good-faith negotiations over trade policies are needed to lessen friction between the United States and Japan, AFL-CIO President Lane Kirkland said.

Such talks, he suggested in a speech to the Japan Institute of Labor, should involve unions and management in the private sectors as well as the two governments. The institute is a prestigious research group established by the Japanese government to foster a better understanding of industrial relations.

KIRKLAND VOICED U.S. labor's deep concern over the future of automobile production and other import-damaged industries.

A healthy auto industry is "vital" to the American economy, Kirkland stressed, noting that more than one million jobs in all parts of the United States were lost as a result of auto imports, higher interest rates and the general economic recession. While imports were not the only cause of the auto-related job losses, they were "a principal cause" that cannot be ignored, he said.

Kirkland cited the many ways in which other industrial nations assure a viable automobile industry, including requirements that automobiles sold in the country include a high degree of "domestic content"—parts manufactured within the country.

THE AFL-CIO supports the position of the Auto Workers for such a domestic content requirement in the United States,

(Continued on Page 7)



SOCIAL AND HUMAN IMPACT on white-collar workers resulting from technological changes in working conditions was explored at a 10-day conference at the International Labor Organization in Geneva. U.S. worker delegates included Thomas G. Whaley, left, executive vice president of the Food & Commercial Workers, Director Jack Golodner of the AFL-CIO Dept. for Professional Employees and UFCW International Affairs Director Gerard O'Keefe, who served the delegation as an adviser.

ILO Group Maps Program To Ease Technology's Impact

Geneva—A blueprint for national and international action to moderate the impact on white-collar workers from the introduction of new technology at their work places was charted at a 10-day conference of the International Labor Organization.

More than 200 trade union, employer and government delegates attended the 26-nation session of the ILO's committee on salaried employees and professional workers.

THOMAS G. WHALEY, executive vice president of the Food & Commercial Workers, said he was "very pleased" because the problems of white-collar workers, including those of special concern to women, were the "subject of nearly two full weeks of discussion in an international forum."

Jack Golodner, director of the AFL-CIO Dept. for Professional Employees, stressed in reviewing the session's work that it had been "vitally important for workers and their representatives from all over the world to have had the opportunity to meet and discuss their problems together."

The two AFL-CIO delegates were reinforced by Gerard O'Keefe, international affairs director of the UFCW, as an adviser. Whaley served as a conference vice chairman and sat on the steering committee.

IN THE AGREED conclusions, which will go to the ILO governing body for follow-up action, the employer and government delegates joined the trade unionists in urging that no decision to introduce technological changes be taken without having considered their "social and human" impact on the workers.

Workers and their representatives, should have a voice in any contemplated structural or technological changes affecting working conditions so as to "mitigate any harmful effects" for them, the conference recommended.

Employers, it was agreed, should attempt to provide job security for their workers by helping them gain the skills needed to fill the new jobs resulting from technological innovations.

AMONG THE conclusions were a series of measures aimed at avoiding such job hazards as eye strain or excessive fatigue resulting from the use of visual display units, electronic cash registers and the like.

On the special problems of women, the conference said concerted action is needed to guarantee equal employment opportunities by such measures as barring any suggestion of sex in job advertisements.

"Broad-based" vocational training programs should be provided for women to equip them with the skills needed to adapt to technological change, one conclusion urged.

"INCREASED opportunities" for advanced training was likewise recommended as a way to raise the proportionately lower number of women now holding managerial level jobs.

Whaley expressed disappointment at the weakness of a conclusion calling for an unspecified "variety of measures" to provide husband and wife "with a choice for an equal sharing of responsibilities and to make it possible for both men and women to reconcile family and work life."

Workers proposals for more concrete recommendations were diluted at the insistance of employer and government delegates in tough negotiations over the issues.

Graphic Arts Union Wins 5-Year Organizing Drive

Senatobia, Miss.—After five years of organizing campaigns, workers at W. A. Krueger Co.'s publishing plant here voted for representation by the Graphic Arts International Union.

The 115 to 102 vote "reflects some change in attitudes in the South," GAIU Local 527 President Anthony L. Moore said. He pointed out that the organizing victory was all the more significant in a state with a so-called right-to-work law.

When the Senatobia campaign began in 1976, the city had an ordinance requiring union organizers to pay a $1,000 license fee and be local residents for at least six months. The statute was scrapped after the union challenged its constitutionality in court.

Donahue Cites 'Fast Response'

Adjustment to Change Marks Labor Policies

New York—The labor movement has watched administrations come and go for 100 years and has survived because of its confidence in its ideas and its ability to adjust quickly to change, AFL-CIO Sec.-Treas. Thomas R. Donahue said at a meeting of lawyers here.

It is too early to develop strategies for dealing with the new Administration, Donahue told the labor law section of the New York State Bar Association, since little has been heard yet from those who speak in an offical capacity.

"WE ARE NOT afraid of adjusting tactics or assuming new strategies," Donahue said. "We have supported administrations; we have opposed administrations. We have remained an independent, free trade union movement. We have faced worse line-ups in Congress, and we have endured."

He said organized labor movement has served its members well through the years because of "the rapidity with which trade union ideas percolate up from the lowest rungs as a result of our democratic structure." The trade union movement's "fast response" to new ideas has outstripped that of other institutions, he observed.

Because change is constant and normal in the labor movement, it is sometimes overlooked, and many changes are going on now that will define the trends in labor "come what may from the Administration," Donahue emphasized.

HE CITED the increasing role of women workers in union leadership and policy-making as one major trend.

"As significant as the election of Joyce Miller to the AFL-CIO Executive Council is, it has tended to obscure the fact that throughout the labor movement from shop committees to local unions to international unions women are assuming leadership positions; women are becoming organizers; women are aggressively asserting the interests and needs of women workers," Donahue said.

Miller, a vice president of the Clothing Workers, was elected to the Executive Council at its August 1980 meeting.

THE LABOR movement also is devoting more of its resources to help women workers achieve contractual, legislative and legal gains, Donahue said. And, he stressed, whether or not the new Administration assumes an activist role in wiping out economic and physical discrimination in the workplace or ignores the issue, "one fact is clear: it will not go away."

On the organizing front, Donahue said the AFL-CIO has improved its structure to help workers who want to join or form unions through the establishment of a national organizing coordinating committee and the use of the federation's field staff.

The AFL-CIO's role in organizing, he pointed out, is to "serve as the resource and active partner" for the organizing efforts of affiliates. He predicted that cooperative organizing activities will pose a greater challenge to union-busters.

THE ROLE OF the AFL-CIO's state and local central bodies also is being reexamined and strengthened, Donahue told the lawyers' conference. He noted that a spring series of regional conferences will air the ideas and needs of the central bodies and seek to expand and strengthen their efforts in building grass roots support for labor's legislative agenda.

Donahue said the trade union movement will also be forging closer ties with other organizations with allied interests, including community-based groups.

In 1980, he noted, the AFL-CIO was the central organizing force behind the Budget Coalition of more than 150 organizations opposed to the concept of balancing the federal budget by cutting programs that help "the weakest in our society."

"THIS COALITION will 'humanize' the battle over the federal budget," Donahue said. "We will translate the percentages into people, the dollars into jobs, the numbers into human terms."

On labor's political activity, Donahue reported that the AFL-CIO Executive Council will begin discussions on "the ways and means by which those unions which have been active in national political party affairs can cooperate more closely and achieve a higher degree of agreement on party leadership, party rules and possibly, in the future, on primary candidates."

Other trends in labor, Donahue said, include a growing interest in mergers as a way of strengthening and improving unions' services to their members. He noted that the labor movement is also beginning to use the latest developments in communications technology, particularly in its political activity.

In international affairs, the strengthening of ties with labor organizations around the world is a major objective of the AFL-CIO and many of its affiliates, Donahue stressed, noting that such cooperation is "absolutely necessary for a labor movement moving in the world of multinational corporations."

"The password of the American labor movement is change," Donahue concluded, "and individually and collectively each of these actions will strengthen the ability of the labor movement to respond to whatever 'trends' develop from this or future administrations."



SEX BIAS SETTLEMENT that the Electrical, Radio & Machine Workers won from General Electric Co. is reviewed by members and officers of IUE Local 623 in Pittsburgh. The settlement, which ends a nine-year battle at a Pittsburgh GE repair plant, provides $176,250 in back pay as well as retroactive seniority and pension credits for 18 women workers. Local 623 President Sam Lawrence, seated second from left, is joined by shop stewards and some of the beneficiaries.

Unions Back OSHA Standard

Court Asked to Affirm Controls on Cotton Dust

By John R. Oravec

The Supreme Court was urged by organized labor to keep intact key provisions of the federal cotton dust standard to help protect more than 200,000 textile industry workers against disability from brown lung disease.

Employer groups are pressing the court to invalidate sections of the OSHA regulation to avoid installation of engineering controls that would greatly reduce worker exposure to cotton dust.

BUT THE prime issue in the cotton dust case is whether the law requires the Occupational Safety & Health Administration to conduct a cost-benefit analysis in the development of any standards.

The industry contends that the cost of installing cotton dust engineering controls by Mar. 27, 1984, would outweigh the safeguards for workers. Employers insist that the same protections can be achieved through the use of respirators, which already are required.

OSHA issued the cotton dust standard in 1978, and a federal appeals court upheld it last year in rejecting an industry challenge. The American Textile Manufacturers Institute and the National Cotton Council appealed the decision to the Supreme Court.

THE AFL-CIO, the Industrial Union Dept. and the Clothing & Textile Workers are intervenors on the side of OSHA.

In delivering oral arguments before the court on behalf of labor, Attorney George H. Cohen said that in enacting the 1970

Cohen stressed that the wording of the law is clear in directing OSHA to develop standards that are as "effective as possible," and that it was the intent of Congress not to compromise the health protections of workers with a cost-benefit assessment.

OSHA ESTIMATES that it will cost industry $550 million to comply with the standard, which provides for separate exposure limits in various segments of the cotton processing and textile industry. Employers claim compliance costs would run five times more than OSHA's estimate.

Over an eight-hour workday, the standard limits exposure to 200 micrograms of respirable cotton dust per cubic meter of air in yarn manufacturing, 500 micrograms in textile production, and 750 micrograms in slashing and weaving.

Labor's brief points out that employers are not challenging the technological feasibility of the engineering controls, and since large segments of the industry are already in compliance with permissible exposure levels, the cost impact of the regulation is eased.

ACCORDING TO an industry survey, about 75 percent of the spinning operations are at or below the 200-microgram limit and 88 percent of the weaving operations are at or below the 750-microgram level.

In arguing the case for industry, Attorney Robert H. Bork contended that the standard is "extraordinarily severe and costly."

But Cohen noted that a section of the job safety law provides for economic assistance for small businesses that lack the capital to meet full compliance.

Justice Dept. Attorney Kenneth Geller strongly disputed industry's attempt to characterize byssinosis, or brown lung, as "no more dangerous than a common cold."

GELLER NOTED that OSHA issued the standard because of evidence that worker exposure to high levels of cotton dust poses "a substantial health risk." Under higher exposure levels, 26 percent of workers risk contracting brown lung, but that risk would be cut in half by the new standard, he said.

ACTWU Executive Vice President Sol Stetin branded industry's attempt to block the standard as "heartless." He said some 150,000 workers are afflicted by brown lung disease—"including 35,000 who are totally and permanently disabled."

Humanities Seminars Offered for Unionists

Union officers and staff members are eligible to attend six seminars being sponsored in 1981 by the National Endowment for the Humanities.

Five of the month-long programs, open to labor officials along with members of other professions, will focus on conflicts between individual values and professional responsibilities, competing rights claims in contemporary society and American popular culture. A sixth program, open only to union officers and staff.

The tuition-free seminars are limited to 12-15 persons. A job safety law, Congress did not intend to require OSHA to perform a cost-benefit analysis before issuing a standard.

Information on dates and locations and application forms are available from the Professions Program, Div. of Fellowships & Seminars, MS-101, National Endowment for the Humanities, Washington, D.C.



NATIONAL LEADERSHIP CONFERENCE drew 1,300 representatives of the State, County & Municipal Employees to Washington for three days of discussions on a wide range of economic and political issues. Here, AFSCME President Jerry Wurf delivers the keynote address.

Ruben Levin Dies at 78, Dean of Labor Journalists

Ruben Levin, 78, editor and manager of Labor newspaper, died Jan. 29 of congestive heart failure at Bethesda Suburban Hospital, just outside Washington. He had been in failing health for several months.

Levin, whose newspaper career spanned over half a century, was regarded by his colleagues in the labor press as the dean of labor union editors. He served his own publication, Labor, for more than 42 years. He received many awards and honors over the years, including the Eugene V. Debs award in 1975.

IN A MESSAGE of condolence to Mrs. Levin, AFL-CIO President Lane Kirkland and Sec.-Treas. Thomas R. Donahue said that Levin "personified America's labor press." They noted that he had been "a friend, guide and teacher to scores of young journalists."

Kirkland and Donahue observed that Levin's contribution to the trade union movement went "far beyond journalism."

"In a thousand battles for human rights and justice," they said, "he was a frontline activist whose example and leadership many times made the difference between defeat and victory."

Levin, who was born in Poland Aug. 2, 1902, came to the United States as a boy of two. His family settled first in Manitowoc. Wis., then moved to Milwaukee.

IN 1924, as a student at the University of Wisconsin in Madison, he worked part-time as a reporter on the Capitol Times, then a crusading daily in the La Follette Progressive tradition. He later worked for three Milwaukee daily newspapers, then spent the next three years as a "boomer" news reporter working for 11 other papers, including the Winnipeg Tribune in Canada and the European edition of the New York Herald Tribune in Paris.

Levin joined Labor, a national newspaper published by 14 major unions in the railway, airline, and related transport fields, in 1938 to start a distinguished career in the labor movement. Editor and manager of the paper since 1953, he helped build it into the largest labor publication of its kind. He received a score of awards, including a special recognition from the International Labor Press Association.

PRESIDENT FRED J. Kroll of the Railway & Airline Clerks, who chairs the Railway Labor Executives Association, said that under Levin's editorship, Labor was "unswerving in its loyalty to the best interests of the railroad brotherhoods and our democratic form of government."

Levin also helped to found Labor Press Associates, a cooperative news service for union publications, the forerunner of today's Press Associates, Inc.

In 1956, he received the Sidney Hillman Foundation Award for a series of articles on the emasculation of federal regulatory agencies. In 1965, the University of Wisconsin's School of Journalism honored him for "distinguished service to the profession of journalism."

LEVIN WAS a regular contributor to a number of magazines. He was a member of the Newspaper Guild, and a member and past president of the Association of Railroad Editors.

Survivors include his wife Bertha of Chevy Chase, Md., two children, David of Hong Kong and Jonathan of Richmond, Va., and two grandchildren. The family suggests that expressions of sympathy be in the form of contributions to Temple Sinai, 3100 Military Road, N.W., Washington, D.C., or to a charity of choice. Services were scheduled to be held at Temple Sinai at 1 p.m. on Monday, Feb. 2.



RUBEN LEVIN

Conservative Heads Key Senate Panel

One of the most conservative of the new Republican senators, Don Nickles of Oklahoma, has been named chairman of a Senate Labor & Human Resources subcommittee that has jurisdiction over legislation most directly affecting the trade union movement.

Nickles will head the Subcommittee on Labor, which will have a 6-4 ratio in favor of the Republicans.

AT 32, Nickles is the youngest senator. He is a machinery company executive whose only previous political office was a single term in the Oklahoma legislature. A Congressional Quarterly magazine profile credits his election to active support from the Moral Majority organization and terms him "at the conservative end of a conservative group of Republican newcomers."

Sen. Orrin G. Hatch (R-Utah), chairman of the full committee, will also serve on the panel. The other subcommittee Republicans will be John P. East (N.C.), another freshman right-winger; two-term moderate Robert T. Stafford (Vt.); freshman Dan Quayle (Ind.), who was a mainstream Republican in the House, and Paula Hawkins (Fla.), also a first-timer, who has called for abolition of the Occupational Safety & Health Administration but also campaigned as a consumer watchdog.

The subcommittee Democrats, all multi-term veterans, are Harrison A. Williams, Jr. (N.J.), Edward M. Kennedy (Mass.), Jennings Randolph (W.Va.) and Donald W. Riegle, Jr. (Mich.),

Republicans have a 9-7 majority on the full committee, with moderates Stafford and Lowell P. Weicker, Jr. (Conn.) as the potential swing votes. The Labor subcommittee is the only one on which the GOP has more than a one-vote edge.

Stafford heads the Education subcommittee, with Claiborne Pell (R.I.) as the ranking Democrat. Quayle is chairman of the Employment & Productivity subcommittee, with Howard M. Metzenbaum (Ohio) as senior Democrat.

Another freshman, Jeremiah Denton (Ala.) will head the Subcommittee on Aging, Family & Human Services, with Sen. Thomas Eagleton (Mo.) as ranking Democrat. Hawkins will head the Investigation & General Oversight subcommittee, with Kennedy for the minority; Weicker will chair the Handicapped subcommittee with Randolph as senior Democrat, and the Subcommittee on Alcoholism will be headed by Gordon J. Humphrey (N.H.), with Riegle as senior Democrat.

The House, meanwhile, completed the assignment of members to committees and rejected—by a straight party vote—a new Republican attempt to obtain greater representation on the Ways & Means Committee.

This is the most important committee in terms of the Reagan Administration's tax proposals and other major ingredients of its economic program. With that clearly is mind, the Democratic leadership set the party ratio at 23-12, just barely under the 24-12 majority in the last Congress despite Republican election gains.

IN EFFECT, the heavy Democratic tilt offsets the likelihood that several conservative Democrats on the committee will vote with the Republican minority on controversial issues.

House Minority Leader Robert H. Michel (Ill.) protested that the 23-12 ratio "makts a mockery of representative government" since Republicans make up 44 percent of the House.

But the GOP attempt to add two Republican seats to the committee was defeated on a straight party vote.

The Budget Target

A COMMITMENT TO equality requires more than statutes. It requires the opportunity for each individual to enjoy the full measure of that equality.

That philosophy and the federal programs enacted to carry it out are under attack. The battleground this year—as it was last year—is the federal budget, because that document defines the relationship of government to its citizens who are most in need of help to reach the ladder, much less to climb it.

The federal budget has always been a target of convenience for opponents of social progress. It provides an opportunity for indirect attack, for denying the fullest measure of equality to all Americans without opposing equality per se. That way, a supposedly color-blind system—in this case, so-called free market economics—supplants the more repugnant selection system based on skin color.

WE ARE NOT deceived. A greater percentage of those who cannot afford decent housing are black or brown; minority Americans are standing in unemployment lines at twice the rate of white Americans; there is a wide disparity in all measures of health between blacks and whites.

Economic discrimination, whether we like it or not, has racial overtones because of past failures. And to ignore those factors is to perpetuate the discrimination.

It is one thing to open the doors of opportunity to all, and quite another to open the doors to only those who can afford the price of admission.

THAT IS WHY the labor movement and the A. Philip Randolph Institute, in fidelity to our commitment to equality and social justice, must join the battle over the federal budget to assure adequate funding for those programs that provide opportunity and protection for those who have neither.

And we know full well from whence come the arguments for a reduced federal role in providing opportunity and protection.

It comes from quarters and groups that have themselves prospered in many ways from the role and largess of government and from circumstances held in place by government.

There is a certain measure of hypocrisy in the contention of those who, in opposing federal programs essential to a fair chance in life for the weak and underprivileged, say "look how well we have done on our own, so others should not rely on the federal government to help them get ahead."

TO THOSE WHO claim such programs are "wasteful" and "inefficient," we must affirm their real value, not just to the human beings affected but to our human society at large, and underscore the clear fact that unemployment is the most inefficient of all.

In short, our job did not end with the election. We do not intend to slumber through the next two or four years, hoping to awake to the dawn of a new day. Our job is just beginning, and we draw both strength and hope from our shared experiences—both successful and incomplete—of the past.

—From AFL-CIO President Lane Kirkland's remarks to the board of the A. Philip Randolph Institute, Washington, D.C., Jan. 22, 1981.

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'Get Ready to Charge!'



Perversion of Purpose

Tax-Exempt Municipal Bonds Underwriting Private Profits

By Gus Tyler

A STRATEGY to help towns and cities with their finances is being perverted into a scheme to enrich industrial and commercial corporations at the expense of the federal Treasury. What looked like a pretty good idea is turning into a very bad practice.

Many years ago, Congress passed a law allowing local governments to issue tax-free bonds. The concept was cozy:

Towns and cities saved money because the interest charges on the municipal bonds were low. Despite the low interest rate, investors grabbed them up because the income from interest was tax-free.

UNCLE SAM was the loser—but he didn't mind. Washington lost income it would otherwise have derived from the return to investors in these bonds. But Papa on the Potomac didn't mind because he was helping out his family of local governments across the land. In effect, the Capital was subsidizing towns and cities that needed the help badly.

The only serious objection to this strategy was the argument that these municipal bonds were bought up almost exclusively by people in the upper-income brackets, people in the 50-percent or over tax brackets. Consequently, an investor drawing his income solely from such bonds could have an income of $1 million a year, yet pay not a single cent in taxes to the federal government.

But that objection is trivial compared with a current practice that uses the tax-free device not to help out the "public" sector but to give away scarce federal dollars to enrich "private" companies.

Originally, these were called "industrial development" bonds, issued to companies that were setting up factories. The rationale was that the tax-free bond would encourage the firm to locate plants in a given area.

ONCE IMPLANTED the seed began to grow. Now tax-free bonds are being issued for "commercial development," for such operations as bars and grills, hamburger stands, bowling alleys, mass-mailing outfits, dentists' offices, bank branches, and for hundreds of other ventures intended to produce profits to private entrepreneurs.

Originally, Congress limited the size of the enterprise to $5 million; then it extended the limits to $10 million. But the limits are limitless for a national corporation that gets tax-free bonds to set up a local subsidiary, as McDonald's did in Elmore County, Ala., for instance.

IN 1979, the total for these tax-free bonds for private companies ran to $7 billion; this was twice the sum for such bonds the previous year.

Again, Uncle Sam is the loser—as he has been all along on the municipal bonds. But there is a difference. In the past, Uncle was subsidizing his family of local governments to make it necessary for them to levy higher taxes on their citizens: Uncle was acting in the "public" interest. But now, on the rapid increase, Uncle Sam is subsidizing "private" enterprises at a time when the Reagan Administration is talking about cutting taxes and balancing the budget.

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'Change' a Password Of Labor Movement

Throughout its history, the labor movement has consistently served its members well because of the rapidity with which trade union ideas percolate up from the lowest rungs as a result of our democratic structure. In its policies and programs, the labor movement has always been a "fast response" organization, far outstripping government and those who occupy ivory towers in drawing on new ideas.

Because the trade union movement will always retain this feature of democracy and willingly entertains suggestions and resolutions developed as part of this process, we will never be hidebound in ideas.

The password of the American labor movement is "change." Change in the labor movement is the only trend we perceive as lasting longer than a fad; after all, it has lasted 100 years and is headed for another 100.

—AFL-CIO Sec.-Treas. Thomas R. Donahue to the labor law section of the New York State Bar Association, Jan. 23, 1981, New York City.

How to Buy

Legal or Not, Gambling Odds Virtually Impossible to Beat

By Esther Margolius

GAMBLING not only has become a major form of recreation for many Americans but a source of revenue for many states. New York recently started its own numbers game, challenging the illegal numbers racket.

Some national surveys now claim that over 80 percent of the public approves of gambling, and some even consider gambling as a right. For example, recently a Newark, N.J., citizens group petitioned City Hall not to close down a numbers operation in their area. They claimed to do so was interference with a business enterprise of minorities. Yet numbers remain an illegal form of gambling known to be under the control of crime syndicates.

There was a time when gambling and so much money openly credited to gambling receipts would evoke a public outcry. But today, voices are muted as state after state looks for new sources of revenue. Currently, 15 states sponsor lotteries, and one or another form of gambling is legal in 44 states and the territory of Puerto Rico.

CASINO REVENUES alone tell of incredibly high gross wins. For example, the June gross take in New Jersey, as reported by the state's Casino Control Commission, was $51.1 million. This represented receipts from only three casinos in one city.

What the news stories gloss over, however, is that without players to lose, there would not be any receipts. Despite the implications that "high rollers" contribute heavily to a casino's take, the realities are that the biggest supporters of casino gambling are the "little spenders" who come, usually as bus riders, on one-day excursions.

In fact, so essential are the "day-trippers" to Atlantic City casinos that all now vie with each other to arrange for charter travel tours. And a soon-to-open casino, the Golden Nugget, is presently working on plans to set up its own bus company. The number of day-trippers was expected to exceed 3 million by the end of 1980.

SLOT MACHINES account for close to half of the casinos' gross take. Forty-three to 53 percent of the June gross were attributed to slot machines. In dollar terms, this means that the $15 bus excursion riders in June alone lost between $22.1 million and $27.3 million.

Yet, according to calculations made by noted gambling authority John Scarne, gross win or gross receipts tell only part of the story. In Scarne's recently published book, "Guide to Casino Gambling," he asserts that gross revenues in Nevada casinos represented but a mere 4 percent of the total "betting handle." He describes "betting handle" as the total amount of monies handled—bet, won, replayed and lost.

Although Nevada claims a bigger payout than Atlantic City, applying Scarne's figure of 4 percent to the $51.5 million Atlantic City gross would project a "betting handle" of almost $1.3 billion.

In Scarne's Guide, he states: "Craps is the most widely played game of chance played in the United States today. More money is won or lost at craps legally and illegally each day than any other form of gambling with the exception of sports and horse betting."

He also writes: "There are more than 40 million craps players in America, 5 million of whom are women, and most of them will accept any sucker bet offered them by craps hustlers.

"A CRAPS hustler is half gambler and half cheat. The consistent right bettor, or 'chump,' must lose in the long run, because the odds are stacked against him. Thousands of craps hustlers in the country work in industrial plants and hustle craps games at noon. I knew one hustler who won $20,000 in numbers from his fellow workers during one year of lunch hour craps shootings."

Blackjack, or 21, is the most widely played casino game in the world. When a player fully understands the dealer's advantage, he should be able to keep that advantage to 5.9 percent and perhaps reduce it to 3 percent, according to Scarne.

In betting through off-track bookies, the odds against you are even greater since bookies limit the payoff. They may pay, at the most, 20 to 1 on a winner even though the odds at the track are much greater, even 100 to 1.

On OTB, Scarne says, "my OTB survey revealed that the OTB made thousands of new horse bettors in New York and adjoining states. And many of these new horse bettors have left the OTB shops and are now betting with illegal horse bookies who, in time of need, will give them credit and a better percentage break by not having to pay OTB's additional 5 percent tax."

THE KEY FACT to remember is that in any professionally operated gambling, legal or illegal, it is impossible to beat the odds. Even if you temporarily enjoy a run of luck, eventually you must lose. In all professional gambling games, the odds are tilted against you so that you never have an even chance. In fact, the smaller the bets, and the poorer the gambler, the worse the odds.

It is claimed that legalization of gambling can produce revenue for schools and hospitals. If this happens, it actually will be a tax upon the poor even more regressive than the sales tax.

After 4-Year Advance

Conservative Tilt Dims Outlook For Federal Job Safety Efforts

AFTER FOUR YEARS of steady progress, federal programs to protect the safety and health of workers face new problems from a more conservative White House and Congress, AFL-CIO Occupational Safety & Health Director George H. R. Taylor said.

Taylor credited the leadership of Labor Sec. Ray Marshall and Assistant Labor Sec. Eula Bingham with converting OSHA from a "quiet and largely non-producing" program to an "active and effective advocate" of on-the-job health and safety.

He cited two major accomplishments: the right of workers to know the hazards of toxic substances they work with and the effect of those substances on their health, and creation of the New Directions Training & Education Program, which has enabled unions, colleges and employers to develop efforts to deal with hazards in the workplace.

QUESTIONED BY reporters on the network radio interview Labor News Conference, Taylor said that as a direct result of aggressive leadership, "workers began to feel that this (OSHA) is their program."

Taylor said that while it is too soon to pinpoint the exact problems that OSHA is likely to encounter in the next four years, progress will be more difficult than in recent years. He noted that congressional support fell off in the last Congress, largely as a reaction to "a continuous avalanche of letters from business interests alleging real or fancied harms."

Reporters questioning Taylor were Jean White of Press Associates, Inc., and Doug Harbrecht of the Pittsburgh Press. Labor News Conference is a public service production of the AFL-CIO and is aired weekly on Mutual radio.



Washington Window

By Press Associates, Inc.

THE LIFE EXPERIENCES of older workers have been undergoing marked changes over the past quarter century, a phenomenon little noticed in the popular press.

A study on older workers recently released by the Dept. of Health & Human Services shows a sharp drop in labor force participation by men 65 and older and a strong growth in job-seeking by pre-elderly women, those in the 55-64 bracket.

Social security improvements have figured importantly in enabling people to live decent lives and even to consider retiring earlier. Private pensions, disability insurance programs and higher earnings also enable many to retire early.

But health problems still force many to retire early and keep others from seeking work.

Following are some highlights from the government's report on "The Older Worker."

TRENDS IN labor force participation for men and women over the last several decades are decidedly different. Elderly men have withdrawn steadily from the labor force during this period. Only 20 percent of men 65 years old and older were in the labor force in 1979, compared to 46 percent in 1950.

Pre-elderly men—those 55-64 years of age—have also decreased their level of participation in the labor force, although most of this decrease occurred during the 1960s and particularly in the 1970s. Their participation rate fluctuated between 87 percent and 89 percent during the 1950s, declined slowly to 83 percent during the 1960s, and fell more rapidly to 73 percent during the 1970s.

Pre-elderly women, on the other hand, have been participating in the labor force at an increasing rate. Their rate rose from 27 percent in 1950 to 43 percent in 1969, and leveled off around the 41 percent mark since 1975. In 1979, it stood at 42 percent. The labor force participation of elderly women has been low and fairly constant during this period, dropping to 8 percent in 1974.

THE DECISION to retire is a complex one. It can be influenced by many factors, including involuntary ones such as compulsory retirement policies, plant closings, or work force lay-offs, and voluntary reasons such as dissatisfaction with job, poor health, family or personal reasons, or a simple desire to stop working.

The proportion of workers who retired before reaching the age of 65 has risen considerably since 1962, the first full year of operation of the early retirement provisions for both sexes under the amendments of the Social Security Act. Evidence from several studies indicates that health problems represent a major factor in the retirement decision.

The vast majority of older persons who are not in the labor force do not indicate a desire to work. About 30 percent cited poor health and another 28 percent did not think they could get a job for a variety of personal or job-market factors.

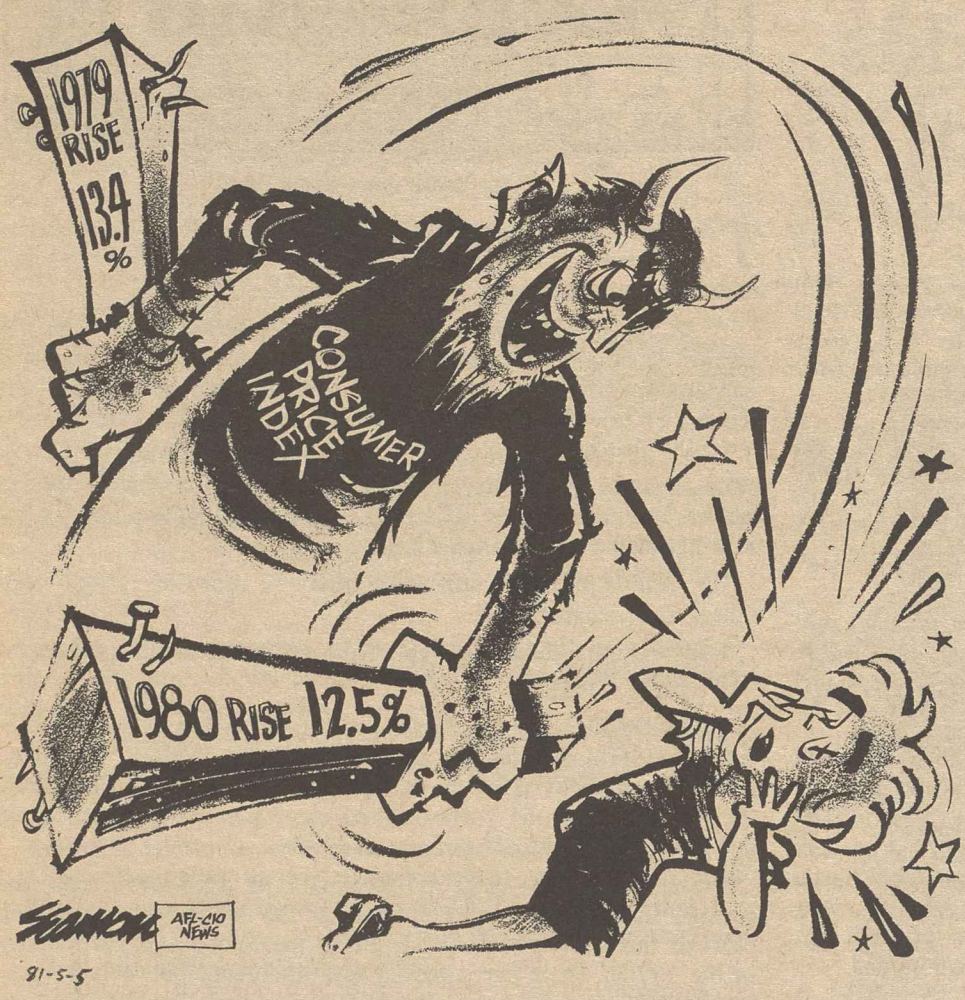
THE FUTURE employment picture for older workers is difficult to predict. In the aggregate, the older population will certainly be more numerous, particularly after the turn of the century when the "baby boom" generation reaches the upper ages. Persons entering the ranks of the older population in future years will be better educated and will have worked at higher-paying occupations in industries that were not even born when today's elderly were in their working years. Older workers today have opted for early retirement, and this trend may well continue.

Opposed to these trends will be such forces as the lack of younger workers to adequately support the social security system, as well as smaller family networks to provide emotional and economic support to retired persons, if the low birth rates of the last few years continue. The scarcity and high price of non-renewable energy sources may continue to drive the cost of living up at the expense of many older persons who do not work and must rely on relatively fixed income. These factors and others may force more older people to stay in the labor force longer.



FOUR YEARS of progress in federal programs to protect the safety and health of workers could be stalled by new barriers in the more conservative White House and Congress, AFL-CIO Occupational Safety & Health Director George H. R. Taylor said on Labor News Conference. Reporters questioning him were Jean White of Press Associates, Inc. and Doug Harbrecht of the Pittsburgh Press.

'There! Isn't That Better?'



'Catch-Up' Pay Boosts Top Rail Union Contract Goals

The nation's railroad workers are seeking substantial wage increases to help make up for buying power lost to inflation over the past three years.

Not all of the 13 unions that will be bargaining with the major railroads in the current round of negotiations have submitted their goals. Of the five that have, however, there are certain areas of general agreement. These include the need for inflation "catch-up" wage increases, full cost-of-living adjustments, and improvements in health and welfare benefits.

UNIONS THAT have already served collective bargaining notices on the railroads include the Maintenance of Way Employees, Machinists, Signalmen, Railway & Airline Clerks, and the Boilermakers-Blacksmiths. The United Transportation Union is expected to file its notice on Feb. 2, and the others within 10 days. The 13 unions together represent more than 430,000 workers.

The size of the wage increases sought varies from union to union. The Maintenance of Way Employees are asking for boosts totaling 60 percent over a three-year period. The Signalmen are seeking retroactive pay plus pay increases totaling 46 percent. Other unions are less specific on the percentage increase.

The five unions that have served notices also have called for a "roll-in" of previously gained cost-of-living adjustments; that is, they want COL increases under their former three-year agreement made part of their base pay. For the Boilermakers-Blacksmiths, for instance, this would amount to 58 cents an hour.

THE UNIONS also are proposing full cost-of-living adjustments, rather than the "capped" increases in their old pacts. And they want to improve the formulas under which the increases are calculated. The Maintenance of Way Employees, for example, are asking for a COL clause providing for a cent an hour for each increase of two-tenths of a point in the government's consumer price index. Declines in the CPI would not affect basic pay rates.

Union negotiators are also in agreement on the need for across-the-board improvements in health and welfare benefits. These would involve life insurance, accidental death and dismemberment coverage, and dental care. The unions also want establishment of a vision-care program.

Other bargaining goals include liberalized vacations and holidays, paid personal leaves, overtime changes, increases in differential pay for shifts starting at irregular times, and stronger job security.

RAIL CONTRACTS, which are governed by the Railway Labor Act, do not have specific expiration dates. Instead, the pacts may be opened for amendment from time to time. In the current round of negotiations, changes in wages and work rules would become effective on Apr. 1.

The employers are represented by the National Railway Labor Conference, which has withheld comment on the new union notices until all 13 unions have submitted their proposals. The other unions involved in the bargaining are the Dispatchers, Locomotive Engineers, Carmen, Firemen-Oilers, Yardmasters, Sheet Metal Workers, and the International Brotherhood of Electrical Workers.

James S. Umber Dies at 77, Headed Montana AFL-CIO

Helena, Mont.—James S. Umber, president emeritus of the Montana AFL-CIO and retired executive secretary of the state labor federation, died Jan. 20. He was 77.

Umber also served for a number of years as president of the Missoula local of the Carpenters.

Consumer Prices Up 12.5%

Real Wages Fall 4.8% In 1980 Inflation Surge

(Continued from Page 1)

Summarizing the annual changes in the consumer price index, BLS said that last year's increase, like that in 1979, was due primarily to large advances for housing and transportation costs. These accounted for almost three-fourths of the 1980 CPI price rise. Food and beverage prices rose about the same as in 1979; "most other major categories of consumer spending registered price increases moderately larger than in 1979," BLS said.

DECEMBER'S CPI increase alone was 1.1 percent, slightly above the 1 percent rise in each of the preceding three months. Increases in the cost of housing, transportation, food, and beverages accounted for over 90 percent of the month's total CPI increase, BLS said. The rise left the index at a level of 258.4, which means that goods and services that cost $10 in 1967 cost $25.84 at the end of 1980.

Of last year's total 12.5 percent jump, 1.5 percent points resulted from higher mortgage-interest costs, nearly one-tenth of the entire index, BLS said. Increases in energy prices, which rose about half again as fast as the overall index, were responsible for another 1.7 percentage points.

The immediate outlook is for still higher living costs. Rudy Oswald, director of the AFL-CIO's Dept. of Economic Research, observed: "Food and energy price increases can be expected to accelerate in January, reflecting weather damage to Florida citrus crops, recent OPEC (Organization of Petroleum Exporting Countries) actions, and the schedule of energy decontrol in the United States."

THE DECEMBER CPI advance was the largest jump since March. Housing costs were up 1.4 percent as mortgage-interest rates rose 4.1 percent. House prices declined one-tenth of 1 percent. Food prices increased 1 percent, following an increase of 1.1 percent in November. Energy prices jumped by 1.8 percent, following a 1.1 percent decline the month before.

Aside from home financing, other housing costs increased more rapidly in December than in November. The cost of maintenance and repairs jumped 1.3 percent, after posting an increase of only half that rate the previous month. The cost of house furnishings, unchanged in November, edged up three-tenths in December.

Higher gasoline prices helped push up transportation costs by 1.2 percent, following a 1.5 percent rise in November. In addition to gas, higher prices for used cars and automobile finance charges accounted for most of the transportation increase. Used car prices rose 3.3 percent, the fifth consecutive large monthly increase.

PUBLIC TRANSPORTATION charges went up 1.1 percent for the month as charges for airline fares rose 1.7 percent and inter-city train fares jumped 5.7 percent. Over the year, BLS said, the cost of public transportation increased 25.6 percent.

Among food items, higher costs for meats, poultry, fish, and eggs contributed most to the over-the-month rise. Prices for these items advanced 1.2 percent in December. The cost of dairy products rose nine-tenths of 1 percent, the same as in November. Fresh vegetable prices went up 4 percent, while prices for cereals and bakery products, fresh milk, sugar and artificial sweeteners also registered substantial increases.

Medical care costs were up five-tenths of 1 percent for the month as charges for physicians' fees and hospital rooms rose eight-tenths of 1 percent and seven-tenths of 1 percent, respectively. Prices for apparel and personal upkeep registered moderate increases. The cost of dining out was up 1 percent over the month. Entertainment costs declined.

Wage Gains Average 7.2% In '80 Public Employee Pacts

State and local government collective bargaining agreements concluded in the first half of 1980 provided average adjustments of 7 percent in the first year and 7.2 percent a year when measured over the life of the pacts, the Bureau of Labor Statistics reported.

In a survey of contracts covering 5,000 or more workers each, BLS found that—as in the private sector—settlements with cost-of-living clauses tended to be smaller than those without such clauses. First-year negotiated wage increases in agreements with COL provisions averaged 7.3 percent, while those without such clauses averaged 6.9 percent.

"WHEN NEGOTIATED wage adjustments were averaged over the life of the agreements, the annual wage rate changes for those agreements were 6.7 percent for settlements with COL clauses, and 7.5 percent for those without COL clauses," BLS said. Agreements with COL clauses had an average duration of 27 months, while those without such clauses averaged 23.9 months.

The survey covered 1,008,000 workers in 83 state and local government bargaining units. New settlements were reached in 16 of these units. Deferred wage changes were received in eight others under agreements negotiated prior to 1980, and COL adjustments were made under two contracts.

FIFTEEN OF THE new settlements, covering 150,000 workers, provided for fixed wage increases. One agreement, reached by the Chicago Transit Authority, provided no fixed wage increase but continued quarterly COL adjustments.

No COL clauses were introduced in settlements reached during the first six months of 1980. One unit, the Alaska State Employees Association, dropped a COL clause in an agreement effective Jan. 1, 1980.

About 52 percent of the workers covered by the public employee contracts in the survey were in the Northeast, 20 percent in the South, 11 percent in the north central region, and 8 percent in the West.

Kirkland Vows Budget Drive To Preserve Key Programs

(Continued from Page 1)

mate power of the people." The democratic system assures "another chance," he said.

BUT "OUR JOB did not end with the election," he stressed. "We do not intend to slumber through the next two or four years, hoping to awaken to the dawn of a new day."

The A. Philip Randolph Institute board meeting in Washington took place when Polish workers were striking and demonstrating in support of their newly-won trade union movement, Solidarity. Kirkland linked their struggle to these words of A. Philip Randolph, the black trade union leader whose life was a crusade for equal rights:

"Freedom is never granted; it is won. Justice is never given; it is exacted. Freedom and justice must be struggled for by the oppressed of all lands and races, and the struggle must be continuous—for freedom is never a final fact but a continuing evolving process."

The board meeting, attended by more than 100 union and civil rights leaders, reviewed 1980 activities of the Randolph Institute and explored proposed new projects.

Institute President Norman Hill said preliminary reports indicate the voter education and participation campaign was responsible for getting over 700,000 black voters to the polls.

HE ALSO reported on the institute's job safety and health program and its Frontlash-linked activities in predominantly black colleges in the South. The institute's intern program, Hill said, has trained and placed black union members with international union staffs and AFL-CIO central bodies.

Hill told the group that despite the election outcome, "there is still a constituency for social progress in the United States, and those politicians who retreat from progressive positions do so at their political peril."

Modest Gains Tallied in Legislatures

(Continued from Page 1)

tions on labor union activities, as well as political beliefs and sexual activity.

The following is a summary of other legislative action affecting workers in a cross-section of states:

CALIFORNIA—Strong efforts by the State AFL-CIO raised the workers' compensation ceiling for temporary and permanent total disability from $154 to $175 a week and increased the death benefit for the surviving spouse from $50,000 to $75,000. Improvements were also made in the delivery of disability payments.

A $2.6 million state fund will assist victims of asbestosis, and other legislation require employers to notify workers of any exposure to toxic substances.

Dues check-off was authorized for certain employees of California schools and community colleges, including deductions for agency shop fees.

Exploitation of workers in the state's large garment industry will be curbed by a law requiring employers to register with the state labor commissioner and keep adequate records of employees' names, addresses, hours, production rates and wages.

CONNECTICUT—State labor officials are concerned about passage of a so-called "workfare" bill which could lead to replacement of municipal workers with welfare recipients forced to take specific jobs to maintain benefits. The state's sales tax, the highest in the nation, was increased from 7 to 7.5 percent, worsening what the State AFL-CIO terms an already inequitable tax burden on workers.

Improvements in the workers' compensation law increased the dependency allowance from $5 to $10 per dependent and eliminated the 15-year maximum benefit period for dependents. Children will now receive benefits up to age 18, or 22 if they are full-time students.

The time allowed for filing an occupational illness claim was extended to three years from the beginning of the disability or detection of the disease, rather than from the time it was contracted.

FLORIDA—An increase from $95 to $105 in maximum weekly unemployment compensation benefits was called a major victory for workers in a recessionary period by the State AFL-CIO. Potentially damaging bills were successfully defeated which would have jeopardized jobless payments to seasonal workers and allowed employers to cut their wages.

Substantial increases were won in the state budget to maintain a labor studies program in the state university system and to launch a program that will give workers an opportunity to pursue college degrees while working full time.

Measures to make technical improvements in the workers' compensation system were labor-supported, along with benefit improvements for retirees from public jobs.

ILLINOIS—Amendments to the unemployment insurance law include an increase in the minimum weekly benefit, raising it from $15 to 15 percent of the state's average weekly wage, or about $42. Another improvement permits a jobless worker to earn up to $62.50 a week in take-home pay before those earnings are offset against unemployment benefits.

Adoption of a compromise workers' compensation bill preserves major improvements made in the statute in 1975, beating back fierce employer lobbying to slash the program.

Although ERA failed in the Illinois legislature, the state did enact a human rights bill that will consolidate state agencies with rights enforcement power and strengthen protections of the Fair Employment Practices Act.

A bill to require payment of prevailing wages on all state service contracts also was passed, and a series of punitive public employee proposals was warded off.

KENTUCKY—Attempts to destroy the state's prevailing wage legislation were de- of 80 percent of a worker's spendable inrenewed pressure on the issue.

Workers' compensation legislation included stronger information requirements for insurers that will make it easier to contest rate increases.

Less acceptable to labor was a bill setting new maximum and minimum benefits for total disability which could serve to reduce or curtail some benefits for both total disability and permanent partial disability.

A bill to add "misconduct" to the reasons a fired employee could be denied jobless benefits was also passed over labor's opposition.

LOUISIANA—The State AFL-CIO fought hard against a grab-bag of anti-labor legislation proposed by the state's new governor, the first Republican in the Louisiana statehouse in more than 100 years. Bills were blocked that would have seriously cut both unemployment and workers' compensation, repealed the state's prevailing wage law, outlawed strikes by public employees, reduced retirement benefits of state employees and turned back gains in wages and working conditions for teachers.

Labor support led to the passage of four bills that actually increased workers' compensation benefits, including burial benefits, survivors' benefits, and benefit computation for payments related to occupational disease. It was also made illegal for an employer to refuse to hire workers because they had previously filed 8 compensation claims.

MARYLAND—The workers' compensation law was amended to include coverage of workers in public assistance work programs, and the time limit for notifying an employer of an occupational disease was extended from 30 days to one year after the worker's discovery of the disease. In addition, the minimum benefit for a temporary total disability was raised from $25 to $50 per week, or equal to the employee's weekly wage if less than $50.

MICHIGAN—Labor posted a major gain in improvements in unemployment compensation with weekly benefits increased to 70 percent of a worker's after-tax earnings, up to a maximum of 58 percent of the average weekly wage in the state, or $182. A significant feature of the law, the State AFL-CIO stressed, is the provision for indexing maximum benefits to provide annual increases.

Workers' compensation was also favorably reformed, capping a long struggle by Michigan labor. Effective in January 1982 benefits will go to a maximum of 90 percent of the average weekly wage, or $282 per week, compared to $210 a week under the current system. Cost-of-living increases will be provided to those already receiving compensation, and most minimum benefit levels will be eliminated through payment of 80 percent of a worker's spendable income, up to the maximum.

MINNESOTA—A revision in the Public Employment Labor Relations Act expands the right of Minnesota teachers to strike in the absence of an agreement or arbitration award. Except for provisions affecting employees designated as "essential," such as police and fire fighters, the new law also expands strike rights for all state and local government employees.

A workers' compensation intervention fund was created to finance participation in rate increase hearings by major employer and worker groups such as the State AFL-CIO.

Minnesota labor was also successful in its support of a constitutional amendment to place certain campaign spending limits on candidates in state elections who accept public financing.

MISSISSIPPI—A wage increase of $950 a year was passed for the state's school teachers, along with legislation designed to make it easier for local school districts to establish kindergartens.

Labor continued its support for equalization of property taxes in the state's 82 counties, participating in action to defend the bill against legal challenges that now await a ruling by the state supreme court.

Another bill tightens controls on the use of polygraph tests by employers.

NEW JERSEY—One of the State AFL-CIO's most successful legislative efforts won substantial improvement in workers' compensation legislation. The new law provides for increases of some 500 to 700 percent in compensation awards for serious and catastrophic injuries, as well as higher benefits for permanent partial disability based on 70 percent of an employee's weekly earnings at the time of the injury, up to a maximum of 75 percent of the state's average weekly wage for covered employees.

Agency shop agreements with unions were made a negotiable item in collective bargaining laws covering public employees. The agreement could require non-union workers to pay a monthly fee to the union equivalent to 85 percent of union dues.

Public employees also won rights to dues check-off as well as payroll deduction of voluntary contributions to be allocated to union welfare, political action, charity, legal defense and educational funds.

OKLAHOMA—Labor supported the successful effort to ban the use of prison inmates as strikebreakers.

VIRGINIA—A bill backed by the National Right to Work Committee which would have required employers to post notices of employees' rights under the state's so-called right-to-work law was beaten back by strong lobbying from Virginia unions.

Unemployment compensation laws were amended to increase employer contributions from 3.2 percent to 4.5 percent. Other legislation will require employers with records of heavy layoffs to increase their contributions to the state unemployment trust fund.

WASHINGTON—Despite a 49-49 division between Republicans and Democrats of seats in the state legislature, significant improvements were scored in labor-related legislation.

Lump sum money awards for permanent partial disability under workers' compensation were doubled, and fully disabled workers were given supplements to their fixed workers' compensation pensions, a measure particularly beneficial to older disabled workers.

Legislation to correct inequities in the offset provisions of the social security law means improved benefits for retirees. Another measure corrects language in the unemployment compensation statute that had been used to deny benefits to workers who voluntarily quit jobs that were excessively far from their homes.

WEST VIRGINIA—Low income workers will get a break from the increase in the state minimum wage from $2.20 to $2.75 an hour, and from the decrease from 42 to 40 hours worked before compulsory overtime must be paid.

Labor support helped defeat a bill that would have denied unemployment compensation benefits to any worker who voluntarily quit his or her job. Present law requires a penalty of six weeks disqualification from benefits. The state federation is supporting a speedy review of the state's overall jobless benefits program in the face of a rapidly deteriorating fund.

Labor successfully warded off the second attempt in two years to pass "right to work" legislation and helped scuttle several punitive measures aimed at public employees.

February Schedule Listed By Labor Studies Center

Organizing, arbitration and newswriting and editing are the subjects of three programs offered by the George Meany Center for Labor Studies in Silver Spring, Md., during February. The schedule:

Organizing Techniques, Feb. 1-6—A review of the essentials in a successful organizing campaign: programming in-plant committees, developing winning issues, making house calls, and responding to employer attacks. Labor Board procedures are explained.

Newswriting & Editing, Feb. 1-6—A workshop for union editors to sharpen their skills in newswriting, headline writing, makeup and editing for greater readability and credibility. This workshop is co-sponsored by the International Labor Press Association.

Arbitration: Preparation & Presentation, Feb. 22-27—An opportunity to prepare a grievance case for hearing, present a mock case before a professional arbitrator, hear his comments and suggestions, and review the action on videotape. Methods of picking arbitrators and the law of arbitration are covered.

Unions using the campus for their own leadership training during February are the Bakery, Confectionery & Tobacco Workers, Feb. 8-12; Flight Attendants, Feb. 8-13; Office & Professional Employees, Feb. 15-18; United Transportation Union, Feb. 22-Mar. 6; Communications Workers, Feb. 22-Mar. 13.

The American Institute for Free Labor Development will have 40 Latin American trade union leaders on campus all month except for a field trip in the week of Feb. 15-20. The Asian American Free Labor Institute is sponsoring a program for 10 visiting trade unionists from Jordan, Feb. 2-6.

The National Coalition for Black Voter Participation will meet in the campus auditorium Feb. 13.

More information on these and other labor studies programs can be obtained from Fred K. Hoehler, Jr., executive director, George Meany Center, 10000 New Hampshire Avenue, Silver Spring, Md. 20903. Telephone: 301/431-6400.

Kirkland Urges Talks with Japan On Trade Issues

(Continued from Page 1)

Kirkland said, and for negotiations to set import quotas on automobiles and auto parts.

There are no "simple solutions" to complex trade problems, he acknowledged. But the AFL-CIO hopes that discussions and negotiations "can significantly reduce those areas of disagreement and friction" while widening the areas of accord, he said.

Kirkland spoke of the AFL-CIO's program for the "reindustrialization" of America, and suggested that Japan has shown an example of utilizing government assistance to fund programs to develop new technologies.

He also spoke of free unions as "essential" to democratic societies.

"Democracy and free trade unions strengthen and reinforce each other," he said. "What weakens one, weakens the other."

He told the Japanese research group that in an era of oil shortages and price-gouging, "the control of energy prices and energy company profits is a legitimate responsibility of government."

As the AFL-CIO sees it, Kirkland said, "breaking the OPEC stranglehold on the U.S. economy requires the federal government to determine the amount of oil to be imported, negotiate its price and allocate it in a manner which meets the needs . . . of all segments of America society."

Major Pacts Boost Wages 9.5 Percent

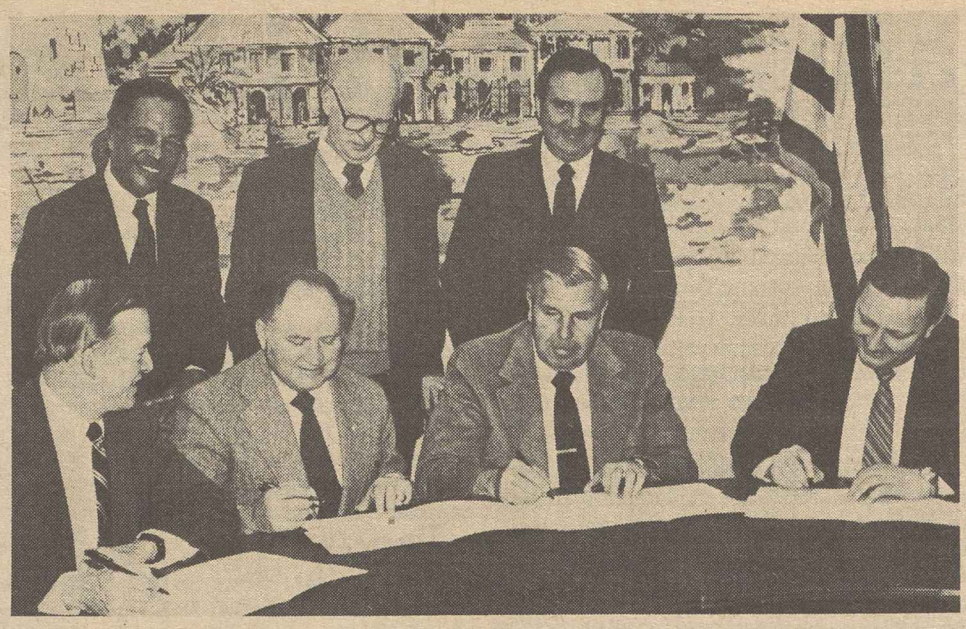
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agreements were protected by COL clauses, slightly higher than the 58 percent for all major contracts negotiated in 1979.

The construction and telephone industries accounted for 40 percent of the workers involved in last year's bargaining—21 percent and 19 percent, respectively. Other large segments of workers were in primary metals, transportation equipment, retail food stores, public utilities, electrical and electronic equipment, and machinery industries.

Other highlights of the BLS report:

- In key contracts, those covering 5,000 workers or more, combined wage and fringe-benefit increases in 1980 averaged 10.4 percent in the first year and 7 percent annually over the life of the agreement. Corresponding averages in 1979 were 9 percent and 6.6 percent, respectively.
- 1980 settlements covering some 770,000 construction workers provided first-year average wage increases of 13.6 percent, up from 8.8 percent in the previous year. Over the life of the agreements, the annual rate of increase was 12 percent.
- In manufacturing, the average wage gain was 7.3 percent for the first year and 5.4 percent annually over the life of the agreements. The figures compare with 6.9 percent and 5.4 percent, respectively, in 1979.
- In non-manufacturing industries, the average first-year wage increase was 11 percent, compared to 8 percent in 1979. Over the life of the contracts, the annual rate of increase was 8.3 percent, compared to 6.8 percent in the previous year.
- The average duration of agreements negotiated last year was 32.8 months, slightly lower than the 33.4 months when the same parties previously bargained. For settlements containing COL provisions, contract duration averaged 35.4 months compared with 28.9 months for those without COL clauses.



COOPERATIVE AGREEMENTS are signed by officials of the Teachers, the International Brotherhood of Electrical Workers and the Red Cross to promote the ARC's national voluntary blood donor system. The signatories are, from left, Dr. Lewellys Barker, ARC vice president for blood services; AFT Sec.-Treas. Robert G. Porter, IBEW President Charles H. Pillard, and David G. Oliver, AFL-CIO Community Services representative with the AFC. Witnessing the signing were AFL-CIO Community Services Director Walter G. Davis, left, Philip McKeaney of the AFT, and Everett Lehmann of the IBEW.

Revised Davis-Bacon Rules Retain '30-Percent' Standard

A revised set of Davis-Bacon regulations is scheduled to take effect Feb. 17, only slightly changed from a draft proposed by the Labor Dept. more than a year ago.

The changes are largely designed to improve enforcement of prevailing wage standards on federally-funded construction projects and to provide more accurate and up-to-date wage determinations.

PRESIDENT ROBERT A. Georgine of the AFL-CIO Building & Construction Trades Dept. said the new regulations "generally" would improve the prevailing wage program. But the open-shop Associated Builders & Contractors protested the "11th-hour issuance" of the regulations shortly before the change of administration. The employer group said it would seek "to get these regulations rescinded." President Reagan subsequently announced a 60-day holdup of all pending regulation changes to allow review by his Administration.

The Labor Dept. had several times extended the deadline for interested groups to comment on the regulations, which were first published in the Federal Register in December of 1979. The department said it rejected requests for further postponements and public hearings because it appeared that all viewpoints had been adequately expressed in the 246 written comments submitted by interested groups and individuals.

The new regulations incorporate the "30-percent rule" that open-shop contractors have long sought to eliminate.

THE EXISTING policy, which will be continued, is that the prevailing area rate will be the pay scale received by the largest number of workers in the job classification, provided they make up at least 30 percent of the workers in that classification. Non-union contractors complained that this often results in union wage scales becoming prevailing wage rates when using an average wage would have resulted in a lower pay line.

But another employer group, the Associated General Contractors, acknowledged that the regulations included some changes sought by employers. Thus, distinctions between types of construction and locations of work will avoid "importing" higher city rates to rural job sites, the ACG said. But the organization said it will still challenge the regulations when the new Administration is in place.

Decontrol to Kick Off Oil Price Surge

President Reagan's executive order lifting all remaining controls on oil will touch off a new round of increases in gasoline and fuel oil costs, Administration officials concede.

But the President and Energy Sec. James Edwards argue that the higher prices will spur energy conservation and the additional windfall profits to the oil companies will provide further incentive for new drilling and production.

IDENTICAL arguments had been made by former President Carter when he began the phaseout of controls nearly two years ago—a step the AFL-CIO opposed and sought unsuccessfully to reverse.

The decontrol "cannot be justified on economic, social or equity grounds," the AFL-CIO declared when the process began. It would worsen inflation and feed recession, labor warned.

By the time of the AFL-CIO convention in December 1979, the warning had been largely borne out. Decontrol does not "contribute one iota to resolving the energy crisis," a convention resolution affirmed, nor increase supplies.

Further, the "gluttony" of the oil companies for ever-bigger profits "has injured the American people," the convention said.

CONGRESS subsequently passed a windfall profits tax to soak up some of the enormous added revenue the oil compasies were receiving, although the tax rate was less than the Carter Administration and the AFL-CIO had urged. Ironically, the added tax that will result from Reagan's decontrol decision will ease his budget problems.

But the oil industry will be left with substantial additional after-tax profits, and it enthusiastically hailed the decontrol order, which Reagan had promised during his presidential campaign.

A Standard Oil of California executive told the Associated Press that his company was "ecstatic" over the decontrol order.

WHILE THE actual pricing decisions will be made by the oil companies in the days ahead, the state Energy Office in Connecticut estimated that lifting controls now instead of next September will cost the average family in the state an extra $32 for heating oil and $42 for gasoline

Energy Sec. James B. Edwards said he thought agsoline prices would rise only 3 to 5 cents a gallon as a result of decontrol, but other estimates were more than double that.

The Congressional Budget Office said the decontrol may add as much as 1 percent to the consumer price index for 1981.

Oil price controls were first imposed under the Nixon Administration, and as a result of the Carter phaseout, only 15 percent of U.S. oil production was under price contsols when Reagan issued his order.

Donovan Nomination Gains Senate Committee Support

The Senate Labor & Human Resources Committee recommended confirmation of Raymond J. Donovan as Secretary of Labor, paving the way for an early vote by the full Senate and completion of action on President Reagan's Cabinet appointees.

The committee vote was 11-0 to recommend confirmation, but five of the seven Democrats abstained after declaring they were not yet prepared to make "a final judgment" on the nomination.

COMMITTEE ACTION had been held up pending completion of an intensive FBI investigation of allegations that Donovan and the New Jersey construction company with which he was associated had links with figures in organized crime.

The most serious charges had been made by an FBI informant whose criminal record included a murder conviction. But the FBI said 1,400 hours of investigative work by 62 agents had failed to uncover any evidence supporting the allegations.

All nine Republicans supported confirmation, as did Democrats Jennings Randolph (W. Va.) and former Committee Chairman Harrison A. Williams, Jr. (N.J.).

Democrats who abstained were Edward M. Kennedy (Mass.), Claiborne Pell (R.I.), Thomas Eagleton (Mo.), Donald Riegle (Mich.) and Howard Metzenbaum (Ohio).

IN ADDITION to confirming heads of the other government departments, the Senate also approved the nomination of David Stockman, a former Michigan congressman, as director of the Office of Management & Budget; Jeane J. Kirkpatrick, Georgetown University professor and foreign policy expert, as Ambassador to the United Nations; William E. Brock III, a former Tennessee senator and most recently Republican national chairman, as U.S. Trade Representative, and William J. Casey, a former chairman of the Securities & Exchange Commission, as director of the Central Intelligence Agency.

Ralph C. Smith Retires From United Way Labor Post

Atlanta—Ralph C. Smith, AFL-CIO Community Services regional director for the labor participation department at the United Way southeastern regional office since 1967, retired Dec. 31.

Smith served as executive secretary of Rubber Workers Local 5 in Akron, Ohio, during the late 1950s and early '60s. He later represented the Akron AFL-CIO on the staff of the Summit County, Ohio, United Way.

Truesdale Quits NLRB Post To Create Second Vacancy

A second member of the National Labor Relations Board, John C. Truesdale, has resigned, leaving the federal agency with two vacancies to be filled by President Ronald Reagan.

Truesdale, a Democrat, had been serving a recess appointment by former President Carter since late last year. Confirmation by the Senate had been delayed by Republican leaders in the hope that an incoming GOP Administration could fill the seat with its own choice.

IN A LETTER to Reagan, Truesdale noted that his nomination had been withdrawn by the President, and said that, "in the circumstances, it seems appropriate to offer my resignation at this time to clear the way for you to make your own nomination at an early date."

Earlier in January, another Democrat, John A. Penello, announced his retirement from the board to take advantage of federal pension provisions.

Reagan's withdrawal of Truesdale's nomination, and those of 30 others by the Carter Administration, came in a notice received by the Senate on Jan. 21. Truesdale's resignation leaves the NLRB with three members — Chairman John H. Fanning, a Democrat; Howard Jenkins, Jr., a Republican, and Don A. Zimmerman, an independent.

Truesdale was immediately chosen by the remaining three NLRB members to return to his former position as executive secretary of the board, a post he held from 1972 to 1977 before he was named a member to fill the unexpired term of Peter C. Walther, a Republican.

The executive secretary's position had been vacant, with Robert Volger serving in an acting capacity.

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Correspondence about address corrections should be sent with attached mailing label to: Subscriptions, Room 209, 815 16th Street, N.W., Washington, D.C. 20006.

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CENTENNIAL SEMINAR kicking off the celebration of labor's 100th anniversary brought editors and Washington news bureau chiefs to the George Meany Center for Labor Studies to hear AFL-CIO President Lane Kirkland, Sec.-Treas. Thomas R. Donahue and former Labor Secretaries John Dunlop and Ray Marshall, as well as a panel of Executive Council members, discuss American labor's current positions and its future. Vice President John Lyons (at podium) is shown with Donahue and Vice Presidents Albert Shanker, Sol Chaikin and Glenn Watts at the final session. A major goal of the centennial program is to win greater public understanding of labor's aims and achievements as well as the challenges facing it in the future.

Regulation Freeze Ties Up Measures On Safety, Wages

By David L. Perlman

President Reagan's 60-day freeze of pending government regulations has put in limbo a group of labor-supported measures affecting the safety, health and wages of America's workers.

Along with scores of other pending government actions, many clearly non-controversial, they have been labeled by the Reagan White House as "midnight regulations" of the outgoing Carter Administration and pulled back for review.

THEY WILL BE scrutinized for cost-effectiveness and, the White House stressed, in terms of the Administration goal of "lessening rather than increasing the regulatory burden."

In fact, regulations are the means by which the Executive Branch of government administers the laws passed by Congress, which only rarely are self-enforcing. In at least some cases, suspending regulations amounts to suspension of the law on which they are based.

Thus, the regulatory freeze will hold up —at least until Mar. 30—the implementation of "walkaround pay" rights for worker representatives during workplace inspections by the Occupational Safety & Health Administration.

It will allow Indiana to continue to operate a state job safety and health program that the AFL-CIO has repreatedly criticized as grossly inferior to the federal program it replaced. OSHA had begun administrative action to suspend certification of the Indiana program because of the state's "consistent pattern of poor performance."

ALSO HELD UP by the government-wide regulatory freeze are changes in Davis-Bacon Act procedures for setting prevailing wage rates on federally-funded construction. It includes some changes sought by employers. But an open-shop contractors' association complained it didn't go far enough to meet their objections and has urged the Reagan Administration to rescind it.

The freeze means at least a further delay in an already years-delayed action by the Labor Dept. to raise the wage test for exemption from overtime pay requirements of the Fair Labor Standards Act.

A WHITE HOUSE LIST of regulations termed "candidates for postponement"—pending checks to determine if some are mandated by law and therefore cannot be postponed—range from food stamp changes to housing loans to asbestos detection and control programs.

The Dept. of Housing & Urban Development has pulled back rules for the Solar Energy & Conservation Bank that Congress authorized last year and rules to improve Fair Housing Act enforcement.

Regulations with scheduled effective dates beyond Mar. 30 also must pass the screening process even though they are not formally under the freeze. These include a long-range hearing conservation program to protect more than 5 million workers who are regularly exposed to high levels of noise. It was scheduled to take effect in mid-April.

REAGAN ALSO prohibited issuance of any new final regulations—with limited exceptions—by any agency. This holdup would presumably cover OSHA's proposed toxic labeling standard which would provide precise chemical identification and warnings on hazardous substances.

The White House charged that many of the regulations issued during the last month of the Carter Administration would impose "substantial new burdens on the economy."

The freeze period, it said, would permit a review of the pending regulations "to assure that they are cost-effective and necessary." It would also allow time for a task force headed by Vice President Bush "to reassess the need for regulations that have been under development."

Budget Policies Urged To Reduce Joblessness

Budget and monetary policies should be geared to prevent increases in unemployment and the loss of billions of dollars in potential output, income, and savings, the AFL-CIO told Congress.

Testifying before the Senate Appropriations Committee, Rudy Oswald, director of the federation's Dept. of Economic Research, said that adoption of policies that lessen unemployment and loss of revenue and help to increase the nation's productive capital can help to break the stagflation pattern of simultaneous inflation and recession that currently grips the United States.

"Without expansionary monetary and fiscal policies, the economy will go through another downturn involving more unemployment," he warned.

OSWALD TOLD the panel, chaired by Sen. Mark Hatfield (R-Ore.), that a high-employment budget would help to balance the budget. "Full employment would minimize the loss of national product, income and savings and turn the federal budget deficit into surplus," he said. The Senate committee held hearings on the relationship between the economic outlook and the budget.

Oswald noted that the unemployment situation in the United States is already serious—and likely to get worse. Since January 1980, joblessness rose 1.3 per-

(Continued on Page 2)

Donovan Takes Office as New Labor Secretary

Raymond C. Donovan took office as the nation's 17th Secretary of Labor, following his confirmation by the Senate on an 80-17 rollcall.

He was sworn in by Vice President George Bush at a White House ceremony that completed the installation of the Reagan Cabinet. But the new Administration is still in its skeletal phase, with scores of presidential appointments yet to be made.

DONOVAN'S confirmation is expected to be followed quickly by the announcement of nominees for other top department posts—the undersecretary and assistant secretaries. The new team will have to deal in the weeks ahead with budget cuts proposed by the White House and by the President's Office of Management & Budget, and with decisions on important and controversial regulations promulgated by the Carter Administration that have been pulled back for review.

Senate action on Donovan's nomination was put off to allow completion of a lengthy FBI investigation of allegations linking Donovan and the New Jersey construction firm with which he was associated to illegal payoffs and links with organized crime figures.

(Continued on Page 6)

Kirkland Spurs Strong Role For Labor on World Scene

Tokyo—The world's free trade union movement has a duty to involve itself much more deeply in national and international decision-making, and to concern itself with corporate behavior, AFL-CIO President Lane Kirkland told the 17th annual convention of the Japanese Confederation of Labor (DOMEI) here.

"Until enforceable international standards are developed, our unions must do all we can to see that companies based in our own countries behave decently and observe the laws of other countries in which they do business," Kirkland told the 1,500 delegates.

"We have a duty not only to insist that our employers and our governments protect and advance human rights, but to throw our own energies and resources into the battle wherever we can be of help. It is our job to assist in the creation and development of free trade unions among the workers of all countries in which help is needed," he added.

ABOVE ALL, Kirkland said, free trade unions must persuade their respective governments to work together to seek workable, joint solutions to their mutual problems. Some steps toward that end, he noted, have been taken by the Trade Union Advisory Committee to the Organization for Economic Cooperation & Development (OECD), on which the labor movements of the United States, Japan, and western Europe are represented. But the OECD itself had failed to come to grips with the most pressing issues facing the world's big industrial countries, Kirkland warned.

At last summer's OECD summit meeting in Venice, and at previous summit meetings, the issue of mass unemployment was disregarded in favor of continuing the "bankrupt policy" of fighting inflation with tight monetary policies and high interest, Kirkland charged.

(Continued on Page 2)

It's GOP's Turn to Squirm As House Ups Debt Ceiling

The shoe was on the other foot, and it hurt. It was the turn of congressional Republicans to put politics aside and vote to increase the federal debt ceiling.

Democrats in the House and Senate suggested that it was time that their Republican colleagues faced up to the fact that the debt limit must be raised periodically to keep government checks from bouncing and to allow the United States to meet its legal obligations.

LAST YEAR, all 154 House Republicans voted against raising the debt limit. It earned them a big plus as fiscally responsible from conservative political action groups that give out money and endorsements, while Democrats who supported the measure were branded as "big spenders."

In fact, even when Republican Gerald Ford was in the White House, most Republicans voted against his debt limit requests and Democrats had to supply the votes to keep the government solvent.

PRESIDENT REAGAN personally came to Capitol Hill to ask both Democratic and Republican leaders to support raising the debt limit to nearly one trillion dollars—ironically the first legislative request he had made to Congress.

He was accompanied by the director of his Office of Management & Budget, David A. Stockman, a former Republican congressman from Michigan who had always voted against debt limit bills.

The House Ways & Means Committee voted unanimously to approve the rise in the debt limit, but Democrats served notice that they didn't intend to let the Republicans have a free ride by providing the votes to pass the bill—at least not until most Republicans had voted for it.

(Continued on Page 8)



AMERICAN LABOR delegation to the recent convention of the Japanese Confederation of Labor (DOMEI) in Tokyo gets together with host officials for talks of mutual interest. In the back row, left to right, are DOMEI Assistant Gen. Sec. Masao Uenishi; James Ellenberger, AFL-CIO Dept. of International Affairs representative; DOMEI Gen. Sec. Yoshikazu Tanaka; DOMEI International Rep. Hajime Inoue, and Director Masao Aihara of the DOMEI International Affairs Bureau. In the front, left to right, are AFL-CIO Vice President William Wynn, DOMEI President Tadanobu Usami, AFL-CIO President Lane Kirkland, and Executive Director Morris Paladino of the Asian American Free Labor Institute. Other U.S. representatives at the meeting were AFL-CIO Vice President Joyce Miller, President Victor Bussie of the Louisiana AFL-CIO, and President William Marshall of the Michigan AFL-CIO.

Kirkland Cites International Role of Labor

(Continued from Page 1)

"WE ARE convinced that these matters must be brought forward for public debate and discussion and that all of our national labor centers should bring our views and recommendations home to all of our governments as forcefully as possible," Kirkland declared.

Accompanying him on his convention visit were AFL-CIO Vice Presidents Joyce Miller and William Wynn, State AFL-CIO Presidents William Marshall of Michigan and Victor Bussie of Louisiana, and James Ellenberger of the federation's Dept. of International Affairs.

About 35 international labor leaders attended the annual DOMEI meeting during the last week of January. They included President P. P. Narayanan and Sec.-Gen. Otto Kersten of the International Confederation of Free Trade Unions, and representatives of labor unions in the Republic of Korea, Taiwan, Singapore, the Philippines, Malaysia, Indonesia, Turkey, and Israel. It was Kirkland's first visit to Japan since 1941, when he arrived as a crew member of a U.S.-flag cargo vessel.

DOMEI AND THE AFL-CIO have held annual consultations for a number of years, probing U.S.-Japan economic ties with an eye toward greater cooperation. The two organizations have sought also to promote increased mutual understanding between Japanese and American labor unions, and to avoid trade frictions between the two countries.

The AFL-CIO delegation conferred with top-ranking officials of Japanese labor, business, and governmental groups. In addition, Kirkland and Wynn joined U.S. Ambassador to Japan Mike Mansfield at a luncheon attended by the presidents of all four Japanese national trade union centers, DOMEI, Sohyo (General Council of Trade Unions of Japan) Churitsu Roren (National Liaison Council of Neutral Labor Unions) and Shin Sanbetsu (National Federation of Industrial Organizations.)

Kirkland and others also conferred with Japanese Prime Minister Zenko Suzuki, Foreign Minister Masayoshi Itoh, Labor Minister Masayuki Fujio, and met with President Bunpei Ohtsuki of the Japan Federation of Employers Association (Nikkeiren) and the leaders of the Japan Seamen's Union, the Japan Union of Commercial Workers, and Zenkindomei (Metal Machinery Workers.)

Budget Policies Urged to Curb Unemployment

(Continued from Page 1)

centage points, representing about 1.5 million workers without jobs. For the full year 1981, many economists are forecasting an unemployment rate of 8 to 8.5 percent.

Putting people to work under specific job programs could alleviate certain inflationary pressures on the economy, Oswald said. Yet, he noted the fiscal 1981 and 1982 budget "practically phase out" local public works support and anti-recession fiscal assistance, and greatly reduce temporary employment assistance. Such policies contribute to the decline of large urban centers, he added.

"THE COUNTRY cannot long remain prosperous if the economic and population centers of major regions of the country are to become reservoirs of unemployment and subsequent social unrest," Oswald warned. He said reindustrialization programs, from a national as well as a local economic perspective, are essential.

It would be anti-inflationary to have people employed in useful public projects such as mass transit construction, repair and replacements of bridges, streets and highways, and the provision of low-income housing, Oswald observed.

"No one program alone will be enough to solve the inflation and unemployment problems," he said, "but job-creation programs are often more effective job generators and more deflationary than tax cuts."

Oswald said that any tax cuts should be directed to mitigate the effects of inflation on those who suffer the most, the lower and middle income taxpayers. Business tax cuts should be directed through the reindustrialization program, he urged.

THE NATION'S soaring inflation rate is not basically the result of budget deficits or excess demand but rather the result of rising costs for the necessities of life—food, energy, medical care, and housing, Oswald pointed out.

"They account for 60 percent of the average family's spending. And these are areas where labor costs have little impact on prices," he said.

"Even if the budget were in balance, it would not resolve the energy and food shocks to the price level."

FLORENCE LONG

Miss Florence A. Long, a retired AFL-CIO employee, died in Alexandria, Va., Jan. 15, 1981. Miss Long, 90, retired Jan. 1, 1966, after 24 years of service with the CIO and AFL-CIO Accounting Dept.

Senior Citizens Alert Needy To Energy Cost Subsidies

Low-income families and the elderly are the target of a nationwide energy assistance information campaign launched by the National Council of Senior Citizens with the help of a federal grant.

NCSC's "Project EnergyCare" will use a network of volunteers to alert the needy to the aid available under the $1.85-billion federal low-income energy assistance program as well as other state and local aid to help them pay high home heating bills. The NCSC's project is funded by a grant from the Community Services Administration of the U.S. Health & Human Services Dept.

NCSC's CAMPAIGN will include a national and local radio and television advertising schedule, newspaper articles and editorials, a speakers' bureau and flyers and information kits to be given directly to people eligible for the program.

The week of Feb. 22-28 has been designated "EnergyCare Week" by NCSC, which plans to mobilize thousands of volunteers during the week to distribute information about the aid program.

The council will work directly with local "EnergyCare" sponsors in some 70 cities. These sponsors, including community action agencies, church groups, nutrition programs, legal services offices and other groups, will coordinate the information programs locally. NCSC members, trade unionists, and other interested organizations and individuals are being asked to contact their local EnergyCare sponsors to volunteer for the program. The council will release its final sponsor list shortly, and local public service advertising will also identify local sponsors.

THOSE INTERESTED in volunteering for the information program should contact local sponsors before beginning any outreach activity, NCSC EnergyCare director Michael Sandifer said.

"The local sponsor will be able to give volunteers all the essential information on energy assistance programs," Sandifer pointed out, "as well as proper application procedures for obtaining aid."

The federal assistance program will grant up to $750 to eligible persons who formally apply for aid. A few states are expected to mail small assistance checks automatically to recipients of supplemental security income and aid to families with dependent children. Those receiving aid, however, may be eligible for additional benefits, if they apply.

INCOME eligibility levels will vary from region to region, and the basic standard will be based on incomes falling below the Bureau of Labor Statistics lower living standard or on 125 percent of the official poverty level, whichever would grant eligibility to the largest number of an area's needy citizens.

The amount of assistance granted will be based on factors including income, size of household and the amount of total budget spent on heating. Priority will be given to households that include elderly or handicapped people.

In addition to cash assistance, the program will provide funds for such needs as blankets and space heaters in the event of life-threatening emergencies.

THE NCSC POINTS OUT that other sources of aid will be publicized in addition to the federal program, including state energy assistance funds and state and federal weatherization programs.

Information on the campaign is available from the National Council of Senior Citizens, 1511 K St., N.W., Washington, D.C. 20005. Tel. 202/347-8800.

Two Ohio Reporters Cited For Guild's Broun Award

A series of articles on police brutality toward prisoners resulting in at least one prisoner's death—and the attendant cover-up by responsible authorities—won the Newspaper Guild's annual Heywood Broun award for two reporters on the Mansfield (Ohio) News Journal. They are Barb Brucker and Jim Underwood.

The award—$1,000 for the reporters and a citation for the newspaper—was presented to Brucker and Underwood and News Journal Editor K. Robert May at a luncheon on the opening day of the Guild's international executive board meeting.

THE MANSFIELD team's entry was selected from among a record 156 submitted in the annual Broun Award competition. There were no honorable mention awards. The judges explained that to award any would have produced too long a list because of the high quality of so many of the entries.

The Brucker-Underwood series, the judges said, "represented the finest tradition of Heywood Broun," the columnist who was the Guild's founding president.

"More than two years after the fact, these two reporters began an investigation of the death of a black prisoner in a local jail," the judges said, continuing:

"The prisoner obviously was not a 'leading citizen,' and had had previous brushes with the law. Yet the reporters did not let his background deter them from a thorough probe into his death.

"THE SERIES uncovered a pattern of alleged beating by the police department. It led to the dismissal of the two policemen accused in the original incident and the adoption of new procedures by the city, a federal grand jury investigation and perhaps the defusing of a potential dangerous situation of racial tension in the community."

The Broun award has been given each of the last 40 years for work that is in the spirit of Broun's own work in the '20s and '30s. That spirit was distinguished by an unceasing devotion to the public interest and an abiding concern for the underdog.

Judges of this year's award entries were Bill Kovach, chief of the New York Times Washington bureau; Benjamin F. Holman, acting dean of the University of Maryland's college of journalism and a former reporter in Chicago, New York and Washington, and Richard W. Daw, editor-in-chief of the National Catholic News Service and a former reporter, editor and bureau chief with Associated Press.

Supreme Court Case

Wide Equal Pay Rights Backed in Labor Brief

The AFL-CIO has asked the Supreme Court to rule that Title VII, the equal employment opportunity section, of the 1964 Civil Rights Act gave women wider protection against pay discrimination than they already had under the Equal Pay Act of 1963.

At issue is whether pay differentials can be challenged in court as illegal sex discrimination if they do not involve unequal pay for substantially equal work in the same establishment—the test imposed for claims under the Equal Pay Act.

AN AFL-CIO BRIEF, joined by the Electrical, Radio & Machine Workers (IUE) and a group of unaffiliated unions, contends that the Civil Rights Act provides recourse for all forms of discriminatory pay practices based on sex, as it does for discrimination based on race, color, religion or national origin.

The case that reached the Supreme Court stems from a charge brought by matrons at a county jail in Oregon who had been paid less than male employees with different job titles but many similar duties.

A federal district judge ruled against them, holding that their claim did not meet the test imposed in the Equal Pay Act and therefore could not be grounds for a Title VII suit under the Civil Rights Act. He interpreted an amendment to Title VII that the Senate adopted during the civil rights debate as compelling such a conclusion.

BUT A 2-1 majority of a 9th Circuit U.S. Court of Appeals panel took a broader view. It agreed that the suit brought by the prison matrons did not meet the Equal Pay Act criteria. But it held that this did not preclude an opportunity to prove to the satisfaction of a court that pay differentials were in fact the result of sex discrimination.

The so-called Bennett Amendment, introduced by a former senator from Utah, specified that pay differences between men and women would not be unlawful under Title VII if "authorized" by the Equal Pay Act.

The AFL-CIO brief rejects the contention that the Bennett amendment ruled out any relief for pay discrimination not falling under the Equal Pay Act. The intent of Congress, the AFL-CIO argued, was "to incorporate into Title VII the equal work requirement of the Equal Pay Act in cases involving claims for equal pay based solely on comparison of job duties."

A similar issue arose in another case, in which a different appellate court also upheld the union position.

The Electrical, Radio & Machine Workers (IUE) brought that case on behalf of women workers at a Westinghouse lamp factory where, the union contends, a lower wage structure for women was the outgrowth of a blatant double standard of job evaluation that has never been rectified.

In that case, a 3rd Circuit appellate decision held, the standard of proof of illegal discrimination would be the same as if the case had involved charges of racial rather than sex discrimination.

AS IN THE case that the Supreme Court has accepted for review—known as the "Gunther case" from the name of one of the prison matrons who brought the suit—the issue involved is not whether women workers were victims of illegal pay discrimination. It is whether they should have an opportunity to prove in court that they were discriminated against even if the circumstances didn't fall within the narrow confines of the Equal Pay Act.

In its brief to the Supreme Court, the AFL-CIO said the appellate court conclusion that the women who brought the suit are entitled to their day in court "should be affirmed."

The unaffiliated unions that joined in the brief were the Auto Workers, National Treasury Employees and the National Federation of Federal Employees.

Mine Safety Act Programs Slash Job Injury Rate

Fatalities and injuries decreased substantially during fiscal year 1980 at 57 non-coal mines and mills participating in a federal accident reduction program, the Mine Safety & Health Administration reported.

MSHA said that preliminary data for fiscal 1980 show that accidents at participating operations resulted in 1,985 lost-workday injuries, a drop of 32 percent from the 2,920 in fiscal 1979.

Since the Program in Accident Reduction (PAR) was put into operation in 1976, MSHA said there has been a consistent reduction in injuries over the years. During that span, the number of participating metal and nonmetal mines and mills has increased from 33 to 57.

Under the program, MSHA assigns inspectors to mines and mills having unusually high accident rates to work closely with management and unions on efforts to improve safety.

MSHA said the rate for lost-workday accidents at PAR mines and mills dropped 30 percent in fiscal 1980 to 10.8 per 200,000 worker-hours from a rate of 15.4 the year before. It credited cooperation of labor, management and inspectors for the progress.



COLLEGE DEGREES were awarded by Antioch University to three union officials who earned Bachelor of Arts degrees in Labor Studies through a cooperative program between the university and the George Meany Center for Labor Studies. William E. Berry, Jr., left, confers degrees on William C. Goetz, Carpenters; Marvin E. Oursler, Operating Engineers, and Arthur J. Jones, Clothing & Textile Workers.

Studies Center Degree Plan Graduates 3 More Unionists

Three more officials of AFL-CIO unions have been awarded degrees of Bachelor of Arts in Labor Studies by Antioch University. The ceremony took place Jan. 28 at the George Meany Center for Labor Studies, Silver Spring, Md., before more than 60 participants in the center's external degree program.

The program, offered by Antioch in cooperation with the Meany Center, permits students to study independently at home while continuing their regular work. Some college credits are allowed for competencies gained through experience in the labor movement.

SINCE THE college degree program began seven years ago, 24 union officials have earned B.A. degrees. More than 100 others are now enrolled in the program, which is open to officers and staff members of AFL-CIO unions.

The January graduates were William C. Goetz, 33, of Lexington, Ky; an organizer for the Carpenters; Arthur C. Jones, 40, of Cheektowaga, N.Y., secretary-treasurer of the local joint board of the Clothing & Textile Workers, and Marvin E. Oursler, 29, of Camp Springs, Md., business representative of Operating Engineers Local 77.

The three graduates had been working in the program from two to five years, during which they spent a week every six months on campus at the studies center, meeting with counsellors and attending classes. These classes introduced them to courses of study they pursued during the next six months. All three brought to the program some previously-earned college credits.

William E. Berry, Jr., director of Antioch University in Maryland, presented the diplomas, Kenneth Young, executive assistant to AFL-CIO President Lane Kirkland, spoke at the commencement, and Russell Allen, the center's deputy director, presided.

Pay Issue Tops Paperworkers' Contract Agenda

Atlanta—Substantial wage increases to meet the higher cost of living and adequate pension benefits will be the two most important issues in bargaining with the paper industry this year, Paperworkers President Wayne E. Glenn said here.

In an address at an employee relations conference sponsored jointly by the Fibre Box Association and the American Paper Institute, Glenn said that the single, overriding issue is the need for wage increases "sufficient to prevent erosion of our members' standard of living."

THE DECLINE of purchasing power over the past two years has left UPIU members poorest in their ability to provide for the necessities of living—shelter, fuel, food, and medical care, Glenn said.

"Single-digit percentage wage increases cannot adequately meet the needs of our members in the face of double-digit inflation," he added.

Also on the bargaining agenda, Glenn said, will be a cost-of-living clause, improved occupational safety and health, and advance notice of an employer's intention to close a plant or lay off a substantial portion of the workforce.

PRELIMINARY figures from the Bureau of Labor Statistics indicate that as of Jan. 9 there were approximately 30,000 fewer employees on the payroll in the paper industry than a year and a half ago, Glenn said.

"Our experience tells us that the vast majority of those laid-off workers will never return to the paper industry," he said. "For this reason, we believe that employers have an obligation to negotiate with our union not only when they are closing a plant, but also when they are consolidating departments and are laying off workers with little or no expectation of their returning to the bargaining unit."



THIS AMERICAN FLAG, the length of two football fields and the equivalent in height of a 21-story building, greeted the former hostages when their plane touched down at Andrews Air Force Base, Md. for the start of an enthusiastic welcome to the nation's capital. Members of two Iron Workers' locals made up most of this volunteer crew shown positioning the flag by the runway. Other building trades and American Legion members helped out on the project.

An International Duty

WE IN THE LABOR movement have long been aware of the extent to which all human affairs are interlinked and all human beings are interdependent. We did not need to be told that on this crowded planet there are no longer any purely internal affairs.

The present energy crisis should make it clear to even the most obtuse national policymaker that economics is, in fact, part and parcel of foreign policy and that there will be no solution for any country, however rich or fortunate, unless all of our countries have a share in it.

At the same time, it should be clear that decisions made in the financial capitals of the world have at least as great a worldwide impact as those made in political capitals, and that those decisions need to be guided by concern for human beings, rather than merely for corporate advantage.

DAILY LIFE all around the globe has been transformed. Production and trade patterns have been disrupted and reshaped by the rise of multinational corporations and state-operated transnational enterprises. Producer-consumer relationships and employer-employee relationships have been changed in ways that no country and no national labor movement can cope with alone.

All of the economic problems that were once confined within the borders of individual countries have become international problems. Recession, inflation, unemployment, food shortages, energy shortages, trade barriers and dislocations have become international problems that the international trade union movement can and must help to solve.

In such a world there is no more effective force for stability and progress than the free trade union movement. We can perform no greater service than to strengthen that movement in every way we can. We must work together, share our knowledge and resources and bring our combined weight to bear on the problems that beset us all. We must, above all, persuade our governments to work together to seek workable, joint solutions to our mutual problems.

THE LABOR MOVEMENT has a duty to involve itself much more deeply in national and international decision-making and to concern itself with corporate behavior, as well.

Until enforceable international standards are developed, our unions must do all we can to see that companies based in our own countries behave decently and observe the laws of other countries in which they do business.

We have a duty not only to insist that our employers and our governments protect and advance human rights, but to throw our own energies and resources into the battle wherever we can be of help. It is our job to assist in the creation and development of free trade unions among the workers of all countries in which help is needed.

Trade unionism and the hopeful, self-respecting spirit it fosters are essential if the peoples of developing countries are to succeed in creating a just, stable and democratic society.

—AFL-CIO President Lane Kirkland at DOMEI convention, Tokyo, Jan. 29, 1981.

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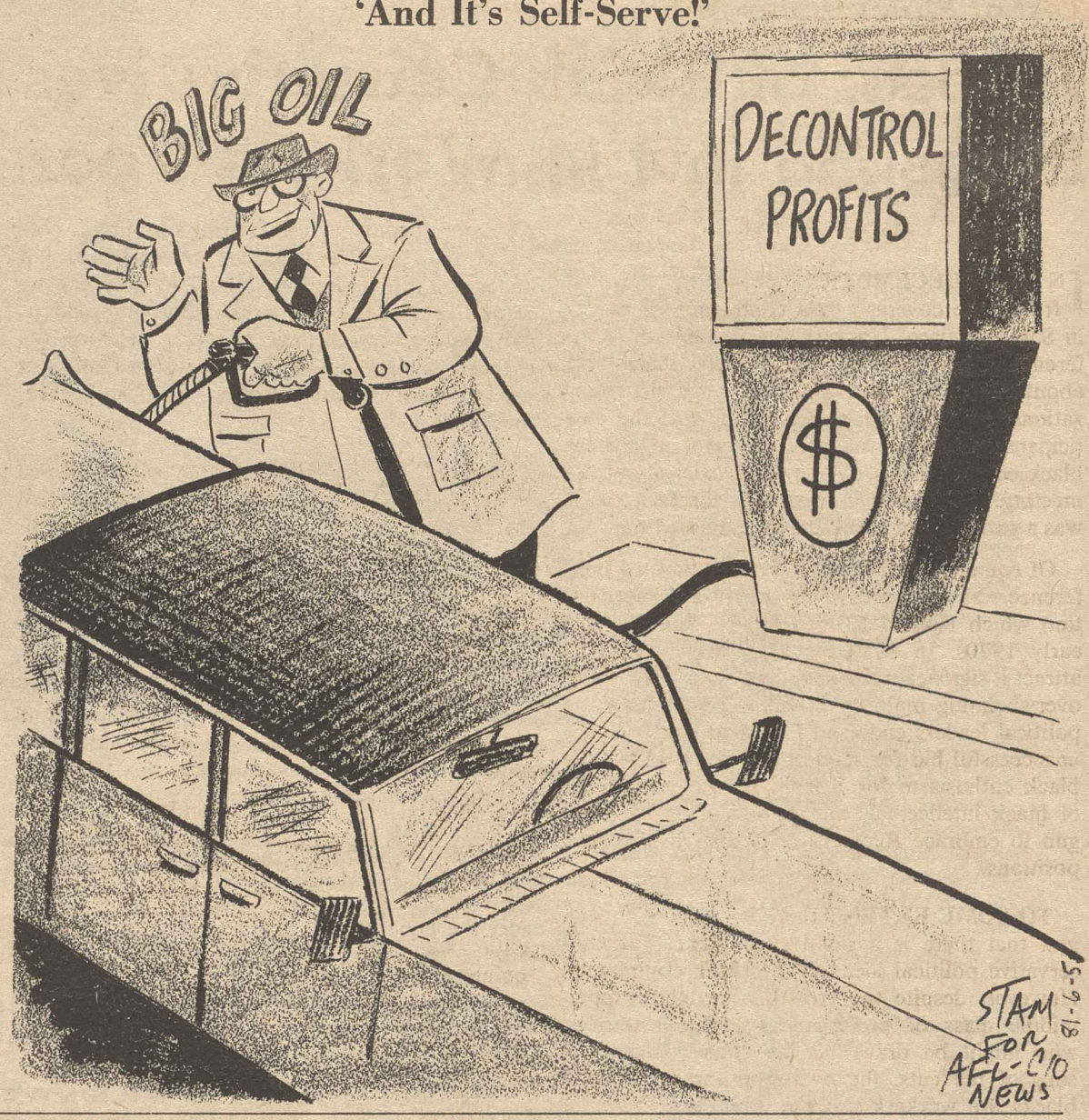
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'And It's Self-Serve!'



Parting Shot

Carter's Economic Advisers Leave 'Trickle-Down' Advice

By Gus Tyler

ON JAN. 17, a mere three days before a new President was to be inaugurated, the Council of Economic Advisers, appointed by the outgoing President, made its report to Congress. That report was unnecessary—in more than one way.

The council is appointed by a sitting President to make regular reports to Congress on the economic state of the nation on the assumption that the chief executive will listen, pay heed, make recommendations to the legislature on economic policy, especially on how to maintain full employment. For the advisers of an ex-President to give advice to a new President, especially one of an opposing party, seems useless.

FOR THIS SORT of foolishness, no one is to blame except the law. The council is mandated to make its report. Perhaps, it would be best to rewrite the legislation so that the council is under no obligation to go through this ridiculous ritual.

Having no alternative but to make a report, this council might have distinguished itself by making a statement that would have been as histrionic in its impact as it would be historic in its worth. The council might have said that it was appointed four years ago to cope with stagflation, that it had plans to do so, that it abandoned those plans early, that it proceeded to do almost exactly what its predecessors had done, that it failed—as Nixon and Ford had failed—to solve the problem, that matters went from bad to worse.

It could then have done the unexpected by saying: "We made a big mistake; go thou and do otherwise."

But that is not what the council said. It did just the opposite. It called upon the new President and Congress to continue in the ways of the 1970s—to do as Nixon, Ford, and this present council have been doing.

THE ADVICE IS summed up in one paragraph that, after it is translated from fashionable economese into straight English, tells the whole story.

"Tax measures focused on increasing supply can make a significant contribution," it says. But plainly, that means tax measures that will give investors more money to invest in what are supposed to be "supply" producing undertakings.

"In the process of learning some needed lessons in supply-side economics, however, the nation cannot afford to forget its hard-learned lessons about the need for demand-side restraint." Put plainly, that means policies not simply to hold down government spending, but also to hold down overall demand by curbing consumer dollars.

WHEN WE PUT these two thoughts together about expanding the supply side and curbing the demand side we end up with a simplistic solution: give more of the nation's income to investors and give less of the nation's income to consumers.

That kind of advice seems unnecessary to give to the incoming Administration. To redistribute the nation's wealth from those who have a little to those who have much has been almost standard Republican policy for about a century. Reagan really doesn't need a "Democratic" Council of Economic Advisers to teach him the "drip-down" theory of economics.

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The Inspiration of Polish Workers

It is hypocritical, two-faced political expediency to praise the workers of Poland for seeking the right all workers should have and, in the next breath, condemn American workers for also seeking the same rights.

If it is right for Polish workers—and it most definitely is right—then it is also right for American workers.

We draw inspiration from the Polish workers. We offer them all the support we can muster through contributions to the AFL-CIO's Polish Workers Fund.

They have raised our consciousness as trade unionists and our hopes for the future. We thank them for doing more than their share to make ours a better movement and this a better world. They've raised the consciousness of the world about the never-ending striving of people for freedom and dignity.

—AFL-CIO Sec.-Treas. Thomas R. Donahue at Greater Washington AFL-CIO dinner, Jan. 31, 1981.

Test of Philosophies in Store

Appeal of Black Conservatives Rings Hollow to Workers, Poor

By Norman Hill

IN MID-DECEMBER, newspapers devoted front-page coverage to a conference of blacks in San Francisco. However, what made the conference noteworthy was not its size—there were about 100 participants—nor the range of organizations which were represented—few of the participants could be said to represent significant black constituencies. What was special about the meeting, what made it news, was the fact that it was a gathering of black conservatives.

Of equal importance was the fact that the conference was sponsored by a conservative foundation which Ronald Reagan helped found in the early 1970s. In 1980 Ronald Reagan failed to attract a significant portion of the black vote. The overwhelming majority of black community and political leaders endorsed President Carter in his unsuccessful bid for re-election. Yet despite little black enthusiasm for Ronald Reagan, a number of black intellectuals and professionals have begun to embrace Reagan's conservative economic positions.

TO SOME EXTENT there is evidence to suggest that there is a small constituency for conservative political ideas in the black community. However, despite the growth of a black upper-middle class of professionals and businessmen who might be drawn to the conservative siren song of tax cuts, the overwhelming majority of blacks are workers and the poor. For them the appeal of black conservatism will ring hollow, and for this reason one can confidently predict that blacks will continue to be a solid voting block which backs pro-labor candidates who support policies dedicated to a more equitable distribution of wealth.

Nonetheless, the two-day conference in San Francisco indicates that a debate will have to begin for the first time within the black community on political options. This debate, in my view, will be a healthy one insofar as it helps sharpen the arguments of black liberals and moderates.

Who, then, are the black conservatives and what do they stand for? The two leading pronoments of black conservatism are Prof. Thomas Sowell, an economist from the Hoover Institution, and Prof. Walter Williams of Temple University in Philadelphia. Both are strong opponents of organized labor, which they claim limits opportunities for blacks. Their view, however, flies in the face of the evidence that organized labor, more than any other institution in American life, has opened its doors to increased black participation. Indeed, today, over 30 percent of black workers are union members. Rather than adopting a policy of exclusion, the labor movement has sought better working conditions for all its workers, irrespective of race. And, most importantly, unions effectively represent their members, who on the average receive $2,000 per year more than non-union workers and have better health and retirement benefits.

A SECOND FAVORITE target of Sowell and Williams is the minimum wage. They argue that the minimum wage is responsible for the inordinately high rate of black teenage unemployment and propose that it be eliminated entirely. At the least, they feel, a sub-minimum wage should be established for teenagers. Their prescription for black teenage unemployment would be worse than the disease it is meant to cure. For a teenage sub-minimum wage would displace unskilled adult workers, a large proportion of whom are blacks with family obligations.

Under conditions of full employment, where every adult is guaranteed a job, the implementation of the youth sub-minimum wage would be of less serious consequence. Under conditions where unemployment stands at nearly 8 percent nation-wide and with figures several percentage points higher among blacks, the implementation of a youth sub-minimum wage would produce disastrous consequences for adult black unskilled workers.

Yet despite the fact that the views of Sowell and Williams are not in the interests of most blacks, the black conservatives cannot be dismissed as mere oddities. They are reflective of the sense of frustration with the state of the economy most blacks have felt in the last decade. In this way they mirror the dissatisfaction which moved many Americans to vote for Ronald Reagan.

IF THE CONSERVATIVE policies which Walter Williams and Thomas Sowell espouse are implemented by the new Administration, blacks and all working Americans will be able to judge the merits of the conservative approach. If history is to serve as any guide, these policies will be found wanting and will be repudiated in future elections.

And within the black community, those who have consistently favored progressive social programs and who have actively participated in the labor movement should welcome the opportunity to challenge the views of the black conservatives. Complacency can hardly be characterized as indicative of leadership. And the coming Reagan years give little reason for us to be complacent.

'Heavily Weighted' Treatment

Television Medium Falls Short In Portraying Workers, Unions

THE TELEVISION MEDIUM, the main source of news and information for most Americans, is not meeting its responsibility in its portrayal of workers and the world of work, President William W. Winpisinger of the Machinists declared in a network radio interview.

Reporting on the results of a 14-month project in which 1,500 Machinists monitored prime time programming on the three major TV networks, Winpisinger said that "unions are virtually invisible" in dramatic and entertainment programs. Even when plot situations have union aspects, he said, "the role of the union in improving life on the job—working conditions, wages and hours—is almost never illustrated."

He said the "inability or unwillingness of television to deal with work in America on a real-life basis" is having a "very adverse effect on employment or career selection among young people," who are "turned off to industrial employment."

Questioned by reporters on the AFL-CIO public affairs program, Labor News Conference, Winpisinger stressed that "pitifully little effort is devoted to helping viewers understand what union members do—the hard, tough, dirty jobs they do every day of their lives to provide the comforts that society enjoys." He said network executives have been largely unresponsive to the union's efforts to get a "fair shake" for workers and union activity.

WINPISINGER SAID that television news, according to the monitors, is as unbalanced as entertainment programs. He said the monitors found the treatment of news stories "heavily weighted on the corporate side of the equation," with the best performance five to one and the worst seven to one, "heavy on the corporate side."

The Machinists' union is using the survey data to follow up with personal visits to local television outlets to encourage closer compliance with the fairness, equal time and other provisions of broadcasting legislation, Winpisinger noted. If that approach is rejected, he said, the union is prepared to make specific appearances in license renewal proceedings.

Reporters questioning Winpisinger were Philip Shabecoff of the New York Times and Frank Swoboda of the Washington Post. Labor News Conference is aired weekly by Mutual radio.

Washington Window

By Press Associates, Inc.

AMERICA'S WORKFORCE today is increasingly female. Most women have or seek full-time, not part-time jobs. The majority work out of economic necessity, and are concentrated in lower-paying jobs.

A top goal of the labor movement during the 1980s is to reach these women, to address their concerns and, most of all, to convince them the labor movement has something important to offer.

Some ideas emerged at a recent conference on organizing women. A highlight of the meeting was a panel presentation by union organizers who discussed strategies and techniques used in recent campaigns involving mainly female workforces.

PAT SCARCELLI of Food & Commercial Workers Local 1357 described an effort to organize more than 100 women employed at the Burlington coat factory in Delaware County outside Philadelphia. The workforce was dominated by women working part-time and by high school students, she noted. It was the men in the plant, janitors, who first contacted the union.

Scarcelli described her approach to the women: "Instead of talking about unions, I talked about them as people." She asked, "How can you be a role model for your children if you're only earning $3.10 an hour?"

THE WORD GOT around that there was this woman "talking about self-worth," and more and more women were drawn to the union cause. Scarcelli said, "I made them believe in themselves."

Ernestine Weaver of the Electrical, Radio & Machine Workers discussed an organizing campaign at a Sunbeam plant in the right-to-work state of Arkansas. The workforce numbered about 450 employees and was 90 percent female.

Organizers focused on the families and not just the employees. They tried to educate the community about unions, and they considered the attitudes and responsibilities of the women workers.

Weaver dropped into church services of various denominations every Sunday. Respecting the mores of the community, she served only non-alcoholic beverages at union meetings. Also, meetings were limited to one hour and were scheduled at times to accommodate family obligations such as caring for children and preparing the evening meal.

THE ORGANIZERS worked to educate the community about the goals and accomplishments of labor unions, including labor's role in such efforts as winning and improving a federal minimum wage law that benefits all workers, Weaver said.

Karen O'Rourke, national representative of the Federation of Nurses & Health Professionals, an affiliate of the Teachers, pointed out that in the health care industry, 80 percent of the workers are unorganized and 90 percent are women.

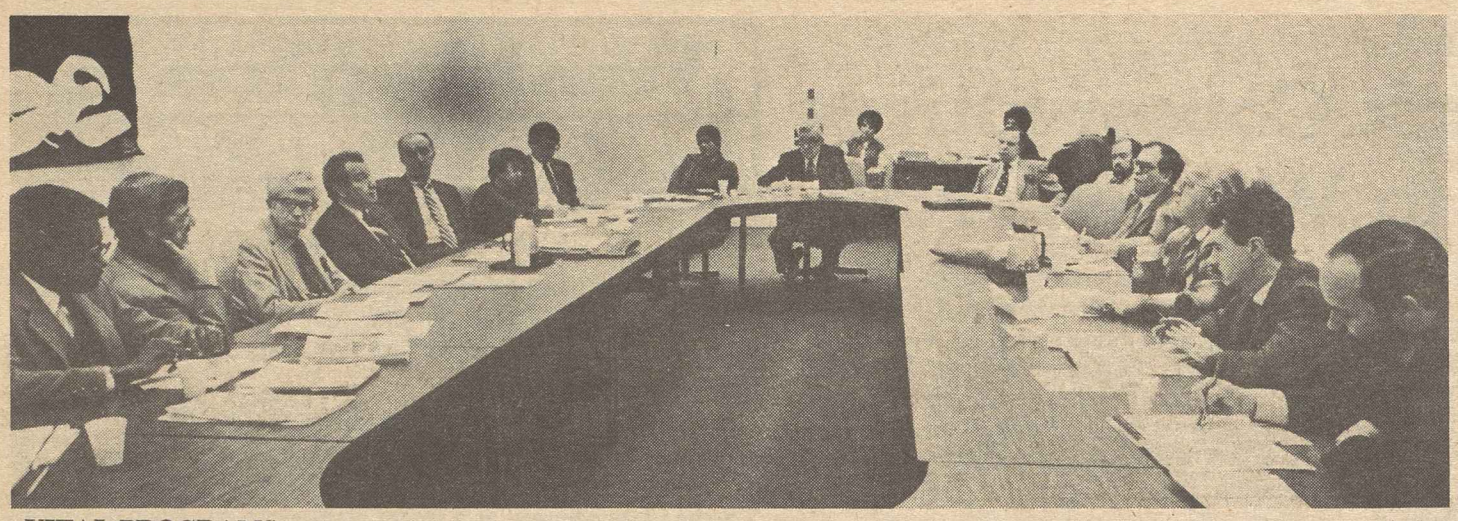
Among the difficulties facing organizers is the need to hold many union meetings due to shift work and the isolation of workers who are assigned to separate patient units and may work many years in the same facility without knowing another co-worker, O'Rourke said.

One method used to introduce people to the labor movement was for the union to demonstrate its concern for workplace issues. O'Rourke said the union sponsored a seminar on burn trauma. Organizers also worked at building a community coalition of allies among senior citizens, state senators and women's groups, she said.

THE UNION WAS up against a number of management consulting firms including the notorious Modern Management Methods, O'Rourke noted. Employers spent more than $1 million at six facilities during a period of 18 months to defeat the union. Salaries rose by 18 to 24 percent, she said. Of the victories, one of the five hospitals is negotiating and the others are refusing to bargain, O'Rourke added.



THE FAILURE of American television to accurately portray the role of workers and their unions in news and entertainment programs was documented in a 14-month survey project of prime-time programming, Machinists President William W. Winpisinger, center, said on Labor News Conference. The AFL-CIO vice president was questioned by Philip Shabecoff, left, of the New York Times and Frank Swoboda of the Washington Post. The AFL-CIO produced public affairs interview is aired weekly on Mutual radio.



VITAL PROGRAMS such as social security, unemployment compensation, welfare and food stamps were discussed by the AFL-CIO Social Security Committee at its meeting at the federation's headquarters in Washington. The committee is headed by AFL-CIO Vice President Sol C. Chaikin, president of the Ladies' Garment Workers.

Flood of Illegal Aliens Tied To Profits for Employers

Employers will continue to hire and exploit illegal aliens as long as they profit from doing so and aren't penalized when they are caught, the General Accounting Office warned in a report to Congress.

The GAO reported that the flow of "undocumented workers" into the United States is increasing and "in a time of high unemployment, more American citizens are being displaced from the workforce."

EFFORTS TO DEAL with the problem have had only "limited success," the report noted. It said the Labor Dept. "lacks the necessary enforcement tools to deter employers from hiring nonagricultural undocumented workers, and employers making a practice of hiring such workers remain virtually free from punishment."

The Labor Dept. could do a more effective job of wage-hour enforcement targeted to areas where there is extensive hiring of illegal aliens, the GAO suggested. But it conceded that even the most vigorous enforcement of existing law would not "significantly" reduce the flow of undocumented workers into the United States.

THE GAO, an independent agency that is an arm of Congress rather than the Executive Branch of government, strongly suggested the need for legislation imposing sanctions against establishments that knowlingly hire illegal aliens—along lines urged by former President Carter nearly three years ago. But it said consideration of statutory sanctions should be held up pending completion of the study and recommendations of the Select Commission on Immigration & Refugee Policy. The commission is expected to submit its report by March.

The GAO recommended a number of administrative improvements and proposed a change in the Fair Labor Standards Act to close a loophole that allows employers to pocket much of the money they have saved by shortchanging undocumented workers.

WHEN A WAGE-HOUR investigation uncovers violations of the Fair Labor Standards Act, employers are required to pay the workers the amounts owed them. But if a former worker can't be located—which is often the case with undocumented—the employer gets to keep the money.

The GAO proposed that back wages due any employees who cannot be located—whether or not they are in the United States legally—be deposited in the U.S. Treasury.

"Such legislative action would create some deterrent to employers who may pay undocumented workers less than the Fair Labor Standards Act requires because of their transitory status in the hope of retaining any back wages the Labor Dept. determines are due," the GAO said.

BUT IT stressed that improved enforcement of the wage-hour law will not of itself make a visible dent in the illegal immigration problem.

"Many undocumented workers earn at or above prevailing minimum wage rates," the GAO noted, "and those who receive less tend to refrain from complaining."

Rail Unions Hit Benefits Denial On Rock Island

Railway union leaders reacted sharply to the refusal of Supreme Court Justice John P. Stevens to lift an injunction against an employee benefits program for laid-off workers of the bankrupt Rock Island Railroad.

Chairman Fred J. Kroll of the Railway Labor Executives Association said the workers are being denied "the kind of economic protection which has been traditional in our industry when railroads terminate their operations."

THE LINE went out of existence early in 1980 as a result of long-time mismanagement and laid off some 8,000 operating and non-operating employees. In April, Congress passed legislation to provide benefits similar to those made available to laid-off employees of the bankrupt Milwaukee Road up to a total of $75 million.

The Rock Island's trustee held that the congressional enactment was unconstitutional and obtained an injunction barring its implementation. The workers' union representatives appealed and the case went to Justice Stevens last fall.

Stevens refused to overturn the federal district court's decision to issue the injunction, saying that if the funds were given to the former workers there would be no way to recover them if the law were later declared unconstitutional.

Congress late last year rewrote the statute in line with Stevens's positions to permit distribution of the funds. At the same time, the trustee of the Rock Island was given authority to use the federal government for recovery of the $75 million if it later proved necessary.

AGAIN, HOWEVER, the Rock Island trustee refused to distribute the congressionally approved funds, and the unions appealed again. The Court of Appeals, in a tied decision, did not overrule, and the case went to Justice Stevens who, without explanation, again refused to rule on it.

The unions are seeking reconsideration of the case from other members of the Supreme Court. Meanwhile, Kroll noted, after nearly 10 months the bankruptcy trustee and his lawyer are each receiving nearly $200,000 a year while the former Rock Island employees have not received a cent of the severance money.

Steelworkers Win Mississippi Election

New Albany, Miss.—A majority of the 145 employees of Mesker Steel Co. here voted to be represented by the Steelworkers in a National Labor Relations Board election.

The USWA election victory capped a four-month organizing campaign coordinated by the AFL-CIO Industrial Union Dept. with the support of local labor organizations.

Donovan Takes Office as New Labor Secretary

(Continued from Page 1)

The FBI conducted what the chairman of the Labor & Human Resources Committee, Sen. Orrin G. Hatch (R-Utah), termed "the most thorough and exhaustive background investigation ever conducted on a Cabinet nominee." He quoted the supervisor of the investigations as reporting that it developed "no information which would reflect unfavorably upon Mr. Donovan in any manner."

Donovan's nomination was supported by all Senate Republicans and a majority of Democrats. The 17 opposing votes included the five Democrats on the Labor Committee, who voted "present" on the committee's favorable recommendation.

Donovan, 50, earned a degree at a Catholic seminary, and since 1959 has been one of the two top officials of the Schiavonne Construction Co. in New Jersey.

His duties with the firm have included negotiating with building trades unions representing the company's employees.

At Senate hearings, Donovan said he hoped to "build bridges" between management and labor.

He supported Reagan's bid for the 1976 Republican presidential nomination, raised funds for his campaign, and directed Reagan's successful campaign in New Jersey in both the primary and general elections last year.

Index Points To Slowdown Of Economy

A drop in a key government barometer of future economic activity indicated another slowdown may lie ahead for the nation.

After six consecutive months of increase, the Commerce Dept.'s index of leading economic indicators declined eight-tenths of 1 percent in December. While a single month's change in the index is inconclusive as far as detecting a trend, the drop seemed to bear out the views of analysts who have held that the runup of interest rates in the past few months is cutting into business expansion.

Felix Tamm, the department's economist in charge of the index, said the December decline "confirms what we've been worried about. Interest rates have been going up, and that's causing huge increases in business costs. That should be viewed with great concern."

SEVEN OF the index's 10 indicators declined in December, including orders to factories for new goods, contracts for new plant and equipment, and issuance of building permits, which represents future construction. Factory layoffs held steady, as did the average workweek of manufacturing workers, at 40.2 hours.

Other components that contributed to the decline were the money supply in 1972 dollars, stock prices, the change in sensitive crude materials prices, and the change in total liquid assets.

Meanwhile, the government announced that sales of new one-family houses dropped 25 percent in 1980, with the downward trend continuing through December. The median sale price, $64,000 for the year, was up only 3 percent from the 1979 median of $62,900. But by December, the average price had risen to $67,900.

The government also released a report showing a drop in American business productivity for the third year in a row. For 1980 as a whole, productivity in private business fell three-tenths of 1 percent, following declines of two-tenths of 1 percent in 1978 and four-tenths of 1 percent in 1979.

Productivity, an important measure of the economy's efficiency, measures the output per hour of the nation's work force.

Workshop Sessions Slated For Regional Conferences

AFL-CIO President Lane Kirkland announced further details for the federation's seven regional conferences beginning in March and said he had found the union response to the conferences "encouraging."

In a letter to all affiliates, Kirkland said the regional conferences will consist of six workshops on the first full day of the schedule, with eight others offered on the closing morning.

THE CONFERENCE will open with a dinner and address by Kirkland and close with a "summing up" session by him and Sec.-Treas. Thomas R. Donahue. Those are the only two, plenary sessions of the conferences and will be the only two open to the press, Kirkland said.

The full-day schedule calls for one workshop to be presented by Kirkland and Donahue, two by COPE and the other three by the AFL-CIO legal, legislative and organizing departments. All other AFL-CIO departments will be represented on the closing morning, with each session offered twice. All of the sessions will be 50 minutes, Kirkland said, with maximum time allowed for discussion.

In announcing the conferences, Kirkland described them as "a time to re-examine labor's aspirations and challenges, a time to strengthen and nourish the local roots of our movement." Kirkland termed that particularly appropriate for the AFL-CIO during its centennial year.

IN HIS LETTER outlining the conference format, Kirkland thanked the presidents of affiliated unions and of state and local central bodies for the response in registration for the conferences and urged all who had not done so to pre-register by mail so the workshops can be organized at the optimum size to facilitate discussion.

"We are determined to conduct the regional conferences with a maximum of two-way communication and a minimum of speech-making," Kirkland said.

The schedule for the seven conferences is Mar. 5-6-7 in Philadelphia, Mar. 9-10-11 in Boston, Mar. 19-20-21 in Chicago, Mar. 26-27-28 in San Francisco, Mar. 30-31-Apr. 1 in Denver, Apr. 2-3-4 in Atlanta and June 4-5-6 in New Orleans.

Family Budget Costs Outstrip Wages

The income needed for a typical family of four to maintain a moderate standard of living in the United States—$442 a week—is far more than the average worker takes home, AFL-CIO Economist Anne Draper points out in the current issue of the American Federationist.

Draper's article, "Crisis in the Family Budget, 1981," reviews the Labor Dept.'s "urban family budgets" compiled annually to show how much income an urban family of four needs to keep up a lower, intermediate or higher standard of living.

THE MOST recent calculations done by the Bureau of Labor Statistics for Autumn 1979 show national averages of $20,517 needed for the intermediate budget, $12,585 for the lower and $30,217 for the higher.

But by late 1980, Draper points out, the continued rapid rise in consumer prices had driven budget costs even higher. New official figures have not been released, but the AFL-CIO estimates that the intermediate budget would have risen to about $23,000 by September 1980, the lower to about $14,000 and the higher to about $34,500.

Yet an average wage-earner family of four, dependent on a single paycheck, would have an annual income of only $12,464 or $239.69 a week at September 1980 weekly earnings level, Draper notes. Thus, even the lower standard of living described by the government is beyond such a family's reach.

THE SQUEEZE has been tightest over the three years from Autumn 1977 to September 1980, she points out, since the increase in the costs of the urban family budgets would be more than the increase in the entire preceding five years.

The budgets are compiled by BLS for 24 metropolitan areas and Anchorage, Alaska. Averages for non-metropolitan areas are given on a regional basis, and the agency compiles a national average using all the figures.

The budget costs are calculated specifically for an urban family of four consisting of a 38-year-old husband employed full time, a wife who does not work outside the home, a 13-year-old son and an 8-year-old daughter. The budgets cover necessary outlays for living expenses and holding a job as well as social security payments and income taxes.

AMONG THEIR uses, the budgets are reference points in certain types of legislation dealing with eligibility for various benefits and, Draper notes, they are useful in collective bargaining. The intermediate budget, the key figure for wage earners, represents the costs of maintaining an urban family of four at a "modest" American standard of living.

The budgets are based on a list of goods and services, and their quantities, that a family buys to meet its needs. Although the "budget family" was chosen as being fairly representative, there are obviously many other types of families, Draper observes, and, while the intermediate budget is called "moderate," it is neither barebones subsistence nor luxury. It is not intended to describe the buying habits of any particular income class.

Instead, Draper explains, it is a composite of items, such as food, clothing, personal care and shelter, selected on the basis of scientific standards defining necessities for family functioning such as food purchases; on surveys showing trends in basic living arrangements such as homeownership or rental and automobile ownership; and on survey findings that describe quantities of items families consider essential for minimum satisfaction of their wants and needs, such as home furnishings and clothing.

AT THE intermediate level, Draper's article explains, about 75 percent of the "budget families" are considered to be homeowners, and virtually all own an automobile typically described as being two years old when purchased and kept for four years.

The family eats on a "moderate-cost family food plan" established by the Agriculture Dept. which allows for somewhat varied and nutritionally adequate meals, including some higher-priced cuts of meat, some convenience foods and some meals away from home.

The "budget family," Draper observes, is also described in terms of appliances it typically owns or buys, clothing purchases, medical expenses, personal entertainment costs and other typical budget items.

THE LOWER and higher budgets are put together from lists that are variants of the intermediate budget, although the contents of the three lists are similar. Generally, the BLS calculates the lower budget based on the assumption that the "budget family" buys cheaper alternatives or items at lower prices, thus getting poorer quality. The higher budget family is assumed to make more expensive selections where alternatives are available, or to pay above-average prices for items of better quality.

For the intermediate budget in the fall of 1979, the "net" budget after income and social security taxes was $16,230. Food costs took up 31 percent of this and housing costs accounted for another 28 percent, for a total of some 59 percent of spendable income.

Transportation and clothing were the next largest components, taking up some 19 percent of spendable income. The remaining 22 percent was divided among personal care (2.7 percent), medical care (7.2 percent) and a number of other costs.

AT THE LOWER budget level, food was even more important, even though costs for this budget are figured on a scaled-down cheaper diet. Out of the total after-tax budget of $10,773, food costs were $3,911 or 36 percent. Housing costs were much lower than the intermediate budget, accounting for about 22 percent.

In the remainder of the lower budget, the most important component was medical care. Draper points out that although the dollar amount spent was similar to that for the intermediate budget, it required a larger percentage (11 percent) of spendable income.

Higher-budget families spend some 31 percent of their after-tax income on housing, the article notes, and while their budgets assign some $6,360 to food costs, this is only 28 percent of the family outlay.

IN HIGHER-BUDGET families, larger percentages of income are available to spend on items such as recreation and personal care, and even though medical costs are more expensive than the other two budgets, they account for only 5.4 percent of the higher budget.

Tax payments, including income and social security, are an important portion of the budgets compiled by the BLS, Draper notes. They are calculated separately to show what a family's total income must be to have enough left over to cover necessary living expenses. Sales and property taxes are not calculated separately, Draper observes, but are included in the prices of items bought and in home ownership costs.

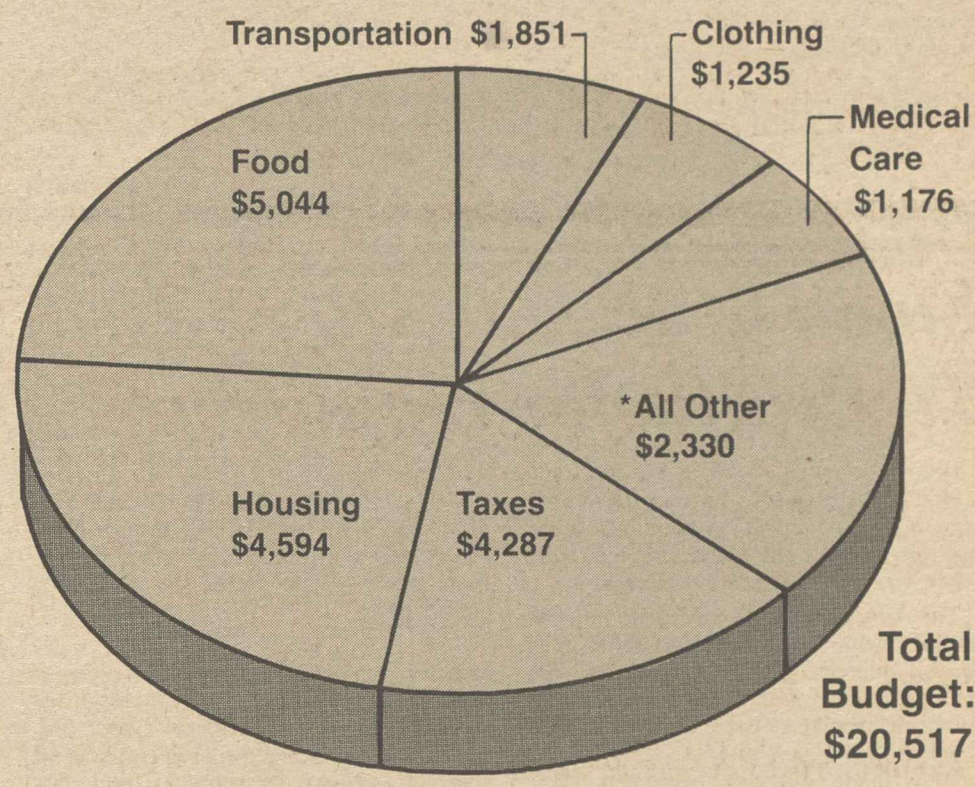
The article also points out that since 1967, when all three family budgets were first priced, costs have more than doubled —up 126 percent for the intermediate, 113 percent for the lower and 132 percent for the higher budget. Nearly one-third of this increase took place between Autumn 1977 and Autumn 1979. In the period from 1978 to 1979 alone, the intermediate budget rose by 10.2 percent, the lower by 9 percent and the higher by 10.6 percent.

TRANSPORTATION costs showed the largest percentage increase in all three budgets, up about 13 percent, primarily in response to a 51-percent increase in the cost of gasoline.

Food, housing and medical care costs were in the 9 to 10 percent increase range, and social security and income taxes were up 12.5 percent in the intermediate budget, 9.6 percent in the lower and 13.8 percent in the higher budgets.

Where the Family Budget Goes

(Intermediate Level, Autumn 1979)



*Includes "Other Consumption" (reading, recreation, education, tobacco, alcohol, etc.) $1,021; Personal Care $433; and "Other Items" (gifts, contributions, life insurance, job expenses) $877.

Source: Bureau of Labor Statistics, Urban Family Budgets, Autumn 1979.

Loan Options Allowed for Pension Investments

A Labor Dept. decision clearing the way for multiemployer pension plans to make loans to participants and beneficiaries at reduced interest rates was welcomed as "a giant step forward" to spur home construction and create jobs for union building trades craftsmen.

Describing the action as a "green light to do really good things with pension money," President Robert A. Georgine of the AFL-CIO Building & Construction Trades Dept. said at a press conference that "we believe this approach provides the flexibility necessary to implement a reasonable and realistic loan program."

THE LABOR DEPT.'s ruling is in response to a July 1980 request by the National Coordinating Committee for Multiemployer Plans which Georgine also heads.

In seeking approval of the program, the Coordinating Committee maintained that residential mortgage loans can be made at below the going interest rate without violating the provisions of the Employee Retirement Income Security Act (ERISA).

The Labor Dept. concurred, but with the understanding that both the program and the loans meet the "prudent" investment standard of the 1974 law and that a "reasonable rate of interest" be charged for the mortgage loans.

Ian D. Lanoff, administrator of pension programs, said in a letter to Georgine that the Labor Dept. doesn't view the prevailing loan interest rate as a rigid number, but rather as a composite of the rates charged by various lenders.

THESE LOWER rates may be considered a "reasonable rate of interest" under certain circumstances, Lanoff agreed. The circumstances are that the loan involve no greater risk than some other investments and that they be prudent for the overall good of the plan so as not to provide a lesser return than some other investments.

Georgine pointed out that the thrust of a recent series of BCTD seminars was the development of programs to provide maximum benefits for participants and beneficiaries.

"Year after year, the professional investment managers who control the assets in our plans have pursued traditional investment policies that provide miserable returns," Georgine observed.

AT THE SAME TIME, he said, they "undercut not only the social objectives of participants and beneficiaries, but their well-being as well."

Trustees of the collectively bargained pension plans have an obligation to make sound investments that promote the unionized sector of the economy and their particular unionized industry while providing the best return to participants and beneficiaries, Georgine said.

This approach, he stressed, "can also provide additional jobs, which in turn generate additional contributions to the plan and provide participants with additional opportunities to accumulate service credits for vesting and benefit accrual purposes."

GEORGINE estimated that BCTD affiliates are participants in plans holding $50 billion of the $80-$90 billion total assets in multiemployer pension plants.

The percentage of pension funds that will be invested in mortgages will depend on the portfolios of individual pension plans, he said.

"It is not our place to set a rate for the plans. The amounts are judgments of the trustees to make."

Georgine reported that the National Association of Home Builders and mortgage bankers have already expressed support of the low-interest loan program. And he said he doubts employers will have any objection to the ruling since the program will obviously increase business in their area.

IN A RELATED development, the Labor Dept. has granted a class exemption under ERISA permitting employee benefit plans to invest in real estate mortgage pools.

A mortgage pool is an investment fund composed of first mortgages or deeds of trust on single-family residential property which are held by a trustee independent of the pool sponsor. The sponsor of the pool sells certificates representing shares in the fund.

The Labor Dept. said that the exemption, which is retroactive to Jan. 1, 1975, will provide greater freedom and flexibility for pension plans to buy, sell and exchange mortgage pool investment fund certificates.

Cutoff Triggered

215,000 Jobless Lopped From Extended Benefits

A gradual drop in the insured unemployment rate has triggered-off the national extended unemployment benefits program which provides up to 13 weeks of additional payments to persons still jobless after having used up the maximum 26 weeks of state benefits.

The immediate effect is a cutoff of payments to some 215,000 persons in 25 states and the District of Columbia who have been receiving extended benefits.

BUT A LARGER group of 475,000 jobless persons will continue to receive extended benefits because the insured unemployment rate (IUR) in their states is high enough to qualify under the separate state trigger.

The national program ended because the IUR dropped below the 4.5 percent trigger point. The IUR is the percentage of unemployment among persons covered by unemployment insurance. It is always lower than the overall unemployment rate because it does not count persons who are seeking jobs for the first time, reentering the labor force after an absence, or who had been employed in jobs not covered by unemployment insurance.

The IUR has been dipping gradually since the end of September, when it was 4.96 percent. The trigger-off resulted from a 4.49 percent IUR for the week that ended Jan. 3 and the cutoff of benefits became effective Jan. 24.

IF THE IUR again moves up to 4.5 percent or higher, the program will trigger-on again nationally and will remain in effect for at least a 13-week period. Persons who have been cut off from benefits and are still unemployed would have their eligibility restored. However, the insured unemployment rate for the week that ended Jan. 10 showed a continued drop to 4.45 percent.

State programs are touched off by a different trigger—either an IUR of 5 percent or, alternatively, an IUR of 4 percent that is also at least 20 percent higher than the state's average for the previous two years.

Under the state trigger, extended benefit programs remain in effect in Puerto Rico and these 25 states:

ALABAMA, ALASKA, Arkansas, California, Delaware, Idaho, Illinois, Indiana, Kentucky, Maine, Michigan, Mississippi, Missouri, Montana, New Jersey, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Washington, West Virginia and Wisconsin.

Congress last year imposed more stringent standards for extended benefits than are required for regular state benefits, including the obligation to take jobs at lower pay outside a worker's normal field. Other changes imposed a one-week waiting period for the few states that do not require this for regular state benefits and denied extended benefits, even after a state-imposed waiting period, to persons fired from their job for misconduct.

Debt Limit Vote Agonizing Test For Republicans

(Continued from Page 1)

On the showdown, the Republicans came to heel and voted 150-36 for the debt limit increase. They were joined by a 154-68 majority of Democrats.

IN THE SENATE, which was to take up the bill later, Democratic Leader Robert C. Byrd (W.Va.) also warned bluntly that Reagan can count on Democratic votes only if he can muster support from a majority of his own party.

Sen. Alan Cranston (Calif.) said Democrats were fed up with "totally demagogic, irresponsible" attacks on their past votes for raising the debt limit. And Sen. Ernest Hollings (D-S.C.) recalled that the two North Carolina Republican senators, Jesse Helms and John P. East, ran campaign ads using a debt ceiling vote to help defeat Democrat Robert Morgan.

On the forthcoming debt ceiling bill, Hollings said, "I'll withhold my vote until Jesse Helms votes for it."

Senate Republican Leader Howard Baker (Tenn.) said he thought most Republicans would come around and support the bill. But he asked understanding. It's "a wrenching experience" for many of them, he explained.

Davis Named to Panel On Alcohol Abuse

Walter G. Davis, AFL-CIO Community Services director, has been named to the national advisory council of the National Institute on Alcohol Abuse and Alcoholism of the U.S. Health & Human Services Dept. The appointment, made by former HHS Sec. Patricia Harris, was announced Feb. 2.

The 12-member council, established under the Public Health Service Act, reviews programs of the alcohol abuse institute.



LABOR PROBLEMS IN ASIA and other parts of the world were discussed at a planning conference of the AFL-CIO's Asian American Free Labor Institute at the George Meany Center for Labor Studies. The meeting was chaired by AAFLI Director Morris Paladino, center, who was joined on the panel by Charles D. Gray, AAFLI deputy director; AFL-CIO International Affairs Director Ernest Lee; Dale Good, assistant to AFL-CIO President Lane Kirkland; and Robert Wholey, AAFLI deputy for administration and field administration.

Rights Commitment Stressed In Salute to UN Ambassador

By James M. Shevis

The AFL-CIO remains firmly committed to human rights as an integral and governing principle of United States foreign policy, and "strongly asserts that the future of human rights depends on democratic institutions," Federation President Lane Kirkland declared at a luncheon honoring Jeane J. Kirkpatrick, the new U.S. Ambassador to the United Nations.

Kirkland joined some 150 other leaders from the labor, business, professional, and academic communities in paying tribute to the Georgetown University government professor. Sponsored by the Coalition for a Democratic Majority, which she helped to found, the luncheon honored Kirkpatrick "for helping us understand how much a strong America means to the advance of international human rights."

KIRKLAND congratulated the new UN ambassador on her selection to represent the United States before the world body, and noted that she has been "a good friend of the AFL-CIO as well as of what Sen. Moynihan has called the 'liberty party,' " that is, that band of liberty-seeking individuals that knows no national boundaries.

"Your appointment shines especially bright, and we wish you all the best," Kirkland said.

In her remarks, which followed testimonials by several other speakers, Kirkpatrick noted that she has been "in total solidarity" with the AFL-CIO and "I expect to work side by side" with the federation in the future. "I've always insisted on the centrality of human rights in U.S. foreign policy," said Kirkpatrick.

GUESTS INCLUDED Senators Henry M. Jackson (D-Wash.), Daniel P. Moynihan (D-N.Y.), and Edward Zorinsky (D-Neb.); British Ambassador Nicholas Henderson; Israeli Ambassador Ephraim Evron; retired Adm. Elmo Zumwalt; Washington attorney Max Kampelman, the co-chairman of the official U.S. delegation to the Madrid review conference of the Helsinki agreement; CDM chairman and political analyst Ben J. Wattenberg, and Cuban freedom fighter Huber Matos, released over a year ago after a 20-year sentence in Castro's jails.

Sen. Jackson pledged his cooperation with the new ambassador, observing that her appointment is a happy occasion, since it gives "one of our members who is joining the new Administration" a chance "to carry on the battle from the inside."

The CDM will have to "watchdog the Republican foreign and defense team," Jackson warned. "And we have to redouble our efforts to bring the Democratic Party into the 1980s, prepared again to govern the country."

MATOS, WHO now lives in Florida as president of the Congress for an Independent and Democratic Cuba, said through an interpreter that the CDM and Kirkpatrick helped obtain his freedom from prison. Freedom-loving Cubans welcomed her nomination to the UN, he said, adding that she "unites in herself the qualities of a fighter for human rights and a strong will against communist expansion." With her in the UN, "we feel represented, too," he said.

The CDM, which has been out front in the struggle for human rights since its formation in the early 1970s, has called for an even-handed, consistent U.S. foreign policy. As Jackson put it, "we have held that something is wrong with a policy on human rights that finds it convenient to criticize the petty dictatorships, with which the world unhappily abounds, but inconvenient to speak out about the Soviet system that inspires repression around the world."

Welles Appointed Chief Of NLRB Law Judges

Melvin J. Welles, 62, a career attorney with the National Labor Relation Board since 1946, was named the agency's chief administrative law judge.

Welles succeeds Arthur Leff, who retired. An associate chief the last two years and an administrative law judge since 1970, Welles will head a corps of more than 100 judges in his new post.

Real Pay Down Sharply in Public Sector

A study of wage movements among state and local public workers over a five-year period, 1974-79, shows a steady loss in buying power due primarily to double-digit inflation.

Published by the AFL-CIO Public Employee Dept., the analysis points out that total average annual earnings for state employees over the five years increased 38.7 percent. But over the same period inflation, as measured by the federal government's consumer price index, surged 47.5 percent.

FOR OTHER public sector workers, the loss in purchasing power was even greater. County employees, for instance, saw their yearly earnings rise an average of only 35.3 percent. Municipal workers' earnings during the five years rose 34.7 percent. For township employees and school district employees, the average five-year rise was 35.5 and 35.8 percent, respectively. The survey is based on figures supplied by the Bureau of Labor Statistics.

While both private and public sector workers are being victimized by today's soaring inflation, public sector state and local workers have had to shoulder much more than their share of these wage setbacks, PED Executive Director John Leyden observed.

Updates of wage movements in negotiated settlements show that the trend of lost buying power among state and local workers is increasing rapidly, Leyden said.

DURING THE first half of 1980, he noted, the Bureau of Labor Statistics reported that state and local government collective bargaining agreements provided an average first-year wage increase of 7 percent. In the same period, Leyden pointed out, the annualized rate of inflation reached 14.7 percent.

"The actual rate of decline in real wages during the first half of 1980 was a devastating 6.7 percent," he said.

"If the wage pattern continues throughout 1980—7 percent first-year wage increases—and with an inflation rate that occurred during 1980 of 12.5 percent, this projects to a loss in real wages and buying power for the state and local public sector workers of 4.9 percent."

LEYDEN SAID that "the losses suggest that some tough collective bargaining will have to take place in the public sector in order to achieve an element of justice and equity for these workers."

The PED analysis, by economist Rick Galleher and Mike Ingrao of the AFL-CIO COPE staff, provides a detailed breakout of earnings changes by state for both state and local employees. The study also includes a comparison of wage movements in the public sector with those in the private sector. Copies are available of both, and may be obtained from Galleher at the PED Research Dept. in Washington.

2/7/81

Correspondence about address corrections should be sent with attached mailing label to: Subscriptions, Room 209, 815 16th Street, N.W., Washington, D.C. 20006.

Cost of Basic Needs Soars 14%

AFL-CIO News

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'80 Increase Tops Overall Inflation Rate

Prices of the basic necessities of life—energy, food, shelter, and medical care—outstripped the cost of other goods and items that Americans typically buy in 1980, and the outlook this year is for more of the same.

These are the conclusions of two studies of price movements in various sectors of the economy, one by the AFL-CIO's Dept. of Economic Research, the second by the foundation-funded National Center for Economic Alternatives.

THE AFL-CIO ANALYSIS showed that prices of the combined group of necessities rose 14 percent over the twelve months of 1980, while prices of all other non-necessity items went up 9.9 percent. Inflation for the year, as measured by the government's consumer price index, posted a 12.5 percent rate.

A similar study, by the Washington-based National Center for Economic Alternatives, paralleled the federation's findings. Both analyses used data furnished by the Bureau of Labor Statistics.

Energy prices were the fastest-rising of any sector in 1980, surging 17.9 percent, the AFL-CIO study found. Shelter costs were next, rising 15.4 percent. Food prices were up 10.7 percent, and medical care 10.3 percent. Other items increased at an average of less than 10 percent.

"SINCE 1973, prices of the necessities have persistently risen more than the consumer price index as a whole, except for 1976," the federation study pointed out. "Since 1976, however, prices have been rising at an accelerating rate, paced by food and shelter—and since 1979 by startling increases in energy prices.

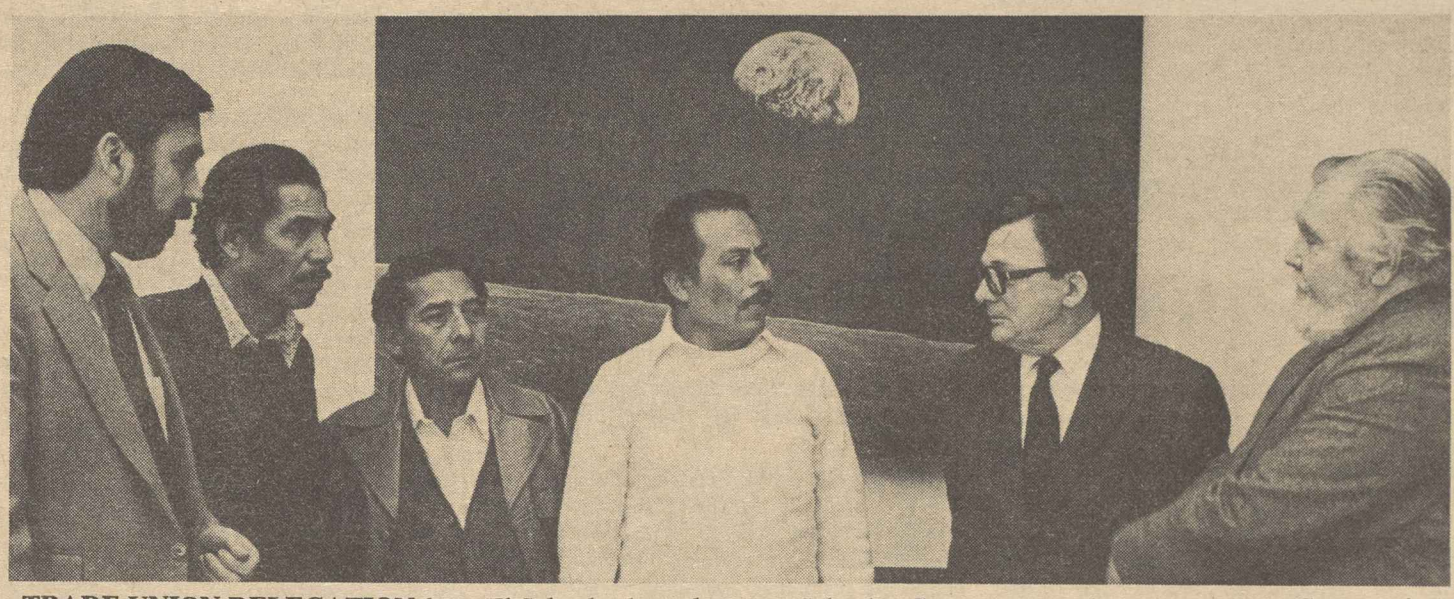
"Since 1976, the rise in necessity prices has been well ahead of the rest of the index."

With oil and food prices expected to rise sharply this year and interest rates showing no signs of abating, prices of everyday items are likely to continue to rise faster than other prices in 1981. The necessities—food, housing, energy, and health care—comprise roughly two-thirds of the household budget of the average American family.

ECONOMISTS AT the National Center warned that President Reagan's budget-cutting strategies are not likely to affect price movements in the four key sectors, and that other government policies are likely to make the 1981 inflation picture worse.

"Recent decontrol of crude oil prices,

(Continued on Page 8)



TRADE UNION DELEGATION from El Salvador brought AFL-CIO President Kirkland a first-hand report on the turmoil in the Central American country. From left, Richard Oulahan, an American Institute for Free Labor Development representative in El Salvador; Francisco Zaldana, general secretary of the Federation of Construction & General Workers; Salvador Carrazo, general secretary of the Construction Workers' Union; Juan A. Argueta, secretary of conflicts for the construction workers federation; Kirkland, and AIFLD Executive Director William C. Doherty, Jr. Zaldana also heads the ORIT-ICFTU affiliate in El Salvador, succeeding Felipe Zaldivar who was assassinated last November.

Vigorous Fight Pledged To Keep OSHA Strong

The AFL-CIO considers the Occupational Safety & Health Act an "indispensable" worker protection and will vigorously oppose any attempt to weaken it, Legislative Director Ray Denison said.

Denison's strong defense of OSHA came in response to a query from Rep. Mario Biaggi (D-N.Y.), who is soliciting union views of the effectiveness of OSHA and on legislation that would permanently exempt establishments with 10 or fewer workers in supposedly less-hazardous industries from OSHA safety inspections in the absence of a "reasonable complaint" or serious accident. A similar restriction is currently in effect through an appropriations bill rider.

AS TO OSHA'S enforcement, Denison said it has been vastly improved over the past four years because it has been administered "by a Labor Dept. that believed in the law and tried to make it work."

For the first time, he said, workers and their unions have been consulted on the administration and enforcement of the law. Further, OSHA helped fund programs to train union members "in assessing and dealing with job hazards," and they in turn have trained others.

Long-delayed health and safety standards have been issued, Denison noted, hazardous areas have been identified, and serious injuries have been reduced in targeted areas.

Denison stressed the AFL-CIO's belief that the so-called small business exemption is mere camouflage for "an all-out attack" on the job safety law.

The original intent of Congress, Denison wrote, was to protect all workers from occupational hazards, "not merely some categories defined by occupation, or the number of employees in a workplace, or on an arbitrary determination that some workplaces are more hazardous than others."

DENISON NOTED that America's unions were united in opposition to the bill introduced in the last Congress by former Sen. Richard S. Schweiker (R-Pa.), now Secretary of Health & Human Services in the Reagan Cabinet, to exempt establishments with acceptable safety records, regardless of size.

Forty-one percent of workplace deaths came in those supposedly safe establishments, Denison pointed out.

"OSHA's existence and strong implementation has meant the difference between life and death to thousands of American working men and women," he stressed. "We want to keep the law intact."

Reagan Names Florida Builder To Head OSHA

President Reagan has nominated a Florida construction contractor, Thorne G. Auchter, as assistant secretary of labor and head of the Occupational Safety & Health Administration.

Reagan also moved to fill two other key Labor Dept. posts by naming Albert Angrisani as assistant secretary for employment and training and T. Timothy Ryan, Jr. as Labor Dept. solicitor.

Auchter, 35, is executive vice president of the Auchter Co., a Jacksonville, Fla., construction firm which has contracts with Florida building trades unions. His responsibilities in the business have included both labor relations and safety and health issues. He is a director of the Associated General Contractors in Jacksonville.

DURING THE 1980 presidential campaign, Auchter served as director of special events for the Reagan campaign in Florida. In 1972, he was a member of an industry commission that made recommendations on the state's safety and health legislation, and he has served briefly as a legislative coordinator for the state senate rules committee. He is a graduate of Jacksonville University.

Angrisani, 31, has been executive vice president of the Chase Manhattan Bank

(Continued on Page 7)

House Liberals At Helm of Key Labor Panels

Congressmen with strong records of support for labor's goals will continue to head key subcommittees of the House Education & Labor Committee despite election shakeups.

Rep. Phillip Burton (D-Calif.) will be the new chairman of the Labor-Management Relations subcommittee, replacing Frank Thompson, Jr. (D-N.J.), who lost his bid for re-election.

Thompson, a champion of worker causes, had a 94 percent "right" voting record by COPE standards. Burton's career voting record is an identical 94 percent.

TO TAKE THE chairmanship, Burton had to give up his chairmanship of the Interior Committee's Subcommittee on National Parks.

He said he agreed to do so because "the

(Continued on Page 7)

Donovan Follows Through On Freeze of Regulations

Raymond Donovan's first official act as secretary of labor was to follow through on President Reagan's announced freeze of pending regulations by pulling back worker protections on occupational safety, overtime pay and prevailing wages.

The OSHA proposal, on the labeling of toxic substances, was withdrawn, while others were either delayed or "postponed indefinitely." Donovan also announced that the new standard for on-job noise levels, scheduled to take effect Mar. 30, will be "closely scrutinized."

IN ALL, Donovan acted on 19 regulations, with the others delayed for either 60 or 90 days. All of them were items on a list of 101 federal regulations the Chamber of Commerce presented to a Reagan transition team, calling them "costly and burdensome" and urging that they be changed or repealed

The first proposals on which Donovan acted were scheduled to go into effect Feb. 17 under regulations published by the Carter Administration.

The toxic labeling provision was five years in the making and represented what the AFL-CIO has termed a compromise from the best efforts of labor, business, academic and scientific experts. The AFL-CIO had proposed a more thorough labeling system.

THE PROVISIONS for labeling toxic substances were designed to cover hazardous chemicals used in some 328,000 manufacturing facilities employing more than 20 million workers. OSHA's administrator at the time, Eula Bingham, pointed out that a NIOSH study found that only 10 percent of trade name products are labeled when they come on the job, yet such substances account for 70 percent of worker exposure to hazardous materials.

Donovan said the killing of that pro-

(Continued on Page 2)



LABOR'S INVOLVEMENT in efforts to end discrimination on the job, increase voter participation, improve education opportunities and address economic concerns of minority workers were explored at semi-annual meeting of the AFL-CIO Civil Rights Committee. The committee, headed by Federation Vice President Frederick O'Neal, also reviewed staff reports from the Dept. of Civil Rights and discussed programs for the coming year.

Conservative Budget-Cutting Drive Bypasses True Causes of Inflation

Federal budget deficits are the result of inflation, not the cause of it, and inflation will not be cured simply by balancing the budget or turning the economy over to unregulated "market forces," AFL-CIO Research Director Rudy Oswald declares in the current issue of the American Federationist.

Oswald's article, "Rebuilding the National Economy," cautions that it is unrealistic to make national economic policy decisions based on "a well-orchestrated right-wing campaign" that preaches indiscriminate slashing of federal budgets at the expense of the poor and jobless and ignores the true causes of inflation—spiraling energy prices and interest rates and the rising costs of food, medical care and housing.

INFLATION MUST be dealt with in terms of the specific problems that cause the inflationary push, Oswald stresses, and balancing the federal budget is only one of numerous factors that must be considered if the nation is going to achieve full employment and balanced growth.

A better program, he suggests is the rejection of inflationary tight-money, high-interest-rate policies and of unjustified budget cuts that ignore human needs. Instead, the AFL-CIO has urged detailed, targeted programs to control both inflation and recession, stabilize prices and create jobs.

The article in the federation's monthly magazine points out that high unemployment itself jolts the federal budget, with each percentage point of unemployment costing the federal treasury $25 to $30 billion in lost tax revenues and related social costs such as unemployment compensation.

"IF UNEMPLOYMENT were one million less in 1982," Oswald observes, "the proposed federal budget would be in balance."

The overall unemployment rate does not reflect discouraged or part-time workers, he notes, nor does it highlight the even bleaker picture for black and minority workers.

While the jobless rate for white workers was 6.5 percent in October 1980, it was 14 percent for blacks and other minorities, and among black teenagers, one out of three was unable to find work.

The job opportunities of black youth will not be improved by a sub-minimum wage for teenagers or increased subsidies for business, Oswald says. Such measures are likely to cause transfer of some jobs from adult workers to teenagers, he notes, but will not create more employment.

RATHER THAN trying to beat inflation by postponing full employment, it is time to adopt the policies and programs of the 1978 Humphrey-Hawkins Full Employment & Balanced Growth Act, the article maintains.

Among its provisions, the law calls for federal programs to encourage growth and create jobs through the development of energy resources, attention to the needs of urban areas, a national agricultural policy, improved health care and housing, establishment of fair trade policies and encouragement of exports, and others. Thus balancing the federal budget is but one of considerations, Oswald explains.

The law also calls for the development of a variety of specific countercyclical employment programs to aid the jobless and reduce high levels of unemployment, Oswald emphasizes.

"THE FEDERAL budget," he stresses, "should be a tool used to accomplish economic and social goals, not an end unto itself."

With unemployment "at a crisis level" and likely to remain high for several years, Oswald says, "it is time to put serious and realistic efforts into achieving the full employment goals of the Humphrey-Hawkins Act."

The article notes that organized labor stands ready to cooperate with government and business to develop a positive "reindustrialization" program to remedy major economic problems, including targeted investment that would bring together financing from private and public funds

CAPITAL formation, Oswald says, is an integral part of a reindustrialization program, and should be encouraged in the ways suggested by Humphrey-Hawkins rather than a one-dimensional tax solution.

The United States's position as a diversified industrial nation should be strengthened, fair trade policies developed to maintain its economic base and independence, and decaying cities and regions revitalized as part of a reindustrialization program, Oswald says. In addition deficiencies such as deteriorating transportation facilities and obsolete plants and equipment must be remedied and alternative energy sources developed, he stresses.

"That task calls not for the blunt instrument of macro-economic monetary and fiscal policy, but for carefully tailored and targeted micro-economic programs, structures and actions," Oswald observes, adding that it is unrealistic to think that such a task can be accomplished "by simply deregulating. detaxing, and unleashing private enterprise."

AFL-CIO RECOMMENDATIONS, Oswald says, urge pinpointed job stimulus programs, rather than general tax cuts or tax incentives. Such programs, Oswald explains, should include, but not be limited to, public works programs, energy and trasportation development and housing programs that could provide quick relief to those directly injured by loss of jobs while improving the nation's public facilities.

Tax cuts that waste needed revenue by rewarding those sectors of the economy not suffering from high unemployment, and tax cuts that stimulate speculative excesses and inflationary imbalances are opposed by the AFL-CIO, the article stresses.

Lowered interest rates and selective credit programs would be more effective in enhancing productivity and industrial investment than gimmicks such as depreciation speed-ups, Oswald emphasizes.

AT THE SAME time, he says, the government should take over the function of all oil import purchases and reinstitute regulation of gas and oil prices. Food production should be increased with food exports managed by the government, and a national health insurance system should be enacted to assure vital health services for all and control costs.

Such programs are advocated by the AFL-CIO, Oswald emphasizes, as selective approaches that directly address the problems of both inflation and recession in the most equitable way. Solving the nation's economic problems, he says, will require the "full cooperation and concerted efforts" of business, labor and government.

High Court Urged to Uphold Equity's Agent Licensing Plan

The AFL-CIO has asked the Supreme Court to uphold the position taken by two lower courts and rule that Actors' Equity has valid trade union grounds for requiring its members to deal only with "franchised" theatrical agents who are licensed by the union.

The licensing system is intended to protect Equity members from exploitation and prevent undercutting of salary standards.

IT SETS STANDARD percentage fees for agents and includes a provision that the commission taken by the agent cannot reduce the net salary to the actor below the Equity minimum.

At issue in the case is whether this system violates federal antitrust laws, as a group of dissident agents has charged.

Both U.S. District Judge Constance Baker Motley in New York and a panel of the 2nd Circuit U.S. Court of Appeals supported Actors' Equity in the case.

The AFL-CIO brief stressed that the conduct being challenged is the unilateral action by a union of disciplining members who use agents not in compliance with franchise standards and therefore is not conduct coming under the antitrust laws.

FURTHER, JUST as collective bargaining agreements between Equity and producers prevent wage undercutting by setting a minimum pay scale, so a standard fee for agents prevents actors from competing with each other for the services of agents by paying bigger commissions.

The appellate court conclusion that "the union cannot eliminate wage competition among its members without regulation of the fees of agents" is valid and should be affirmed, the AFL-CIO urged.

Bill Proposes Quota on Cars From Japan

A bill that would impose a three-year quota on Japanese auto imports has been introduced in the Senate by the Republican chairman and the senior Democrat on the Senate Finance subcommittee that has jurisdiction over trade issues.

Subcommittee Chairman John C. Danforth (R-Mo.) and Sen. Lloyd Bentsen (D-Tex.) proposed to set the import quota at 1.6 million cars a year. That's the average number imported in 1978 and 1979, but 300,000 fewer than Japan sent to the United States last year.

THE BILL WOULD not, however, set a quota on importation of auto parts as the AFL-CIO had urged.

Danforth said import relief is needed to give the U.S. auto industry the breathing spell it needs to retool and get back on its feet. He pointed to the industry's high unemployment, heavy losses by major U.S. auto producers, and a more than twofold rise in auto imports from Japan since 1976.

While the United States has been an open market for Japan, he said, it has faced trade barriers against U.S.-made vehicles in most parts of the world, including Japan.

The new U.S. trade representative, former Republican National Chairman Bill Brock, issued a cautiously worded statement on the Danforth-Bentsen proposal.

HE TERMED introduction of the legislation "understandable in light of the current distress in our automotive industry." The two senators have "performed a useful service in beginning a national debate" on the issue.

But Brock went on to say that imports are not the only cause of the auto industry crisis and other aspects including "tax and regulatory policy . . . require equal and urgent attention."

The sponsoring senators said the legislation they are proposing has strong bipartisan support in Congress.

Danforth said he expects it to pass overwhelmingly if the Reagan Administration is not able to negotiate voluntary trade restraints on Japanese auto imports in the next few months.

Donovan Blocks Key Regulations On Safety, Wages

(Continued from Page 1)

vision would "permit a more complete analysis of a number of issues, including overlap with other regulatory programs and the preparation of a new proposal."

The pay provision affects the wage level above which workers classified as "executive, administrative and professional" can be exempted from the provisions of the Fair Labor Standards Act on overtime pay.

The current exemption point is only $155 a week, or slightly above the FLSA minimum wage.

THE PROVISION Donovan postponed indefinitely would have raised that level to $225 a week now and to $250 in 1983. Donovan said the change would "aggravate already intolerable levels of unemployment and inflation and exacerbate business costs."

The third standard—this one delayed until Apr. 17—called for the payment of prevailing wage rates to service workers who work for firms with federal contracts in research, timber sales and data processing.

Other standards delayed—some until Apr. 29—cover eligibility for federal protections against discrimination and other new provisions on the rights of veterans, the handicapped, pregnant workers and protection against sexual harassment.

With AFTRA, Extras

Screen Actors Endorse Plan for Merger Talks

Hollywood, Calif.—Members of the Screen Actors Guild gave an enthusiastic endorsement to a scenario calling for closer ties with the American Federation of Television & Radio Artists and an eventual merger of SAG, AFTRA and the Screen Extras Guild.

Executive Sec. Charles L. Migden told more than 800 SAG members at the union's annual meeting that solidarity forged on the picket line during a 12-week strike by both unions last year could cement unity after several false starts in the past.

THE PLAN HE outlined, approved unanimously by the SAG's 85-member board of directors, looks to a first phase in which contract proposals would be made by a joint SAG-AFTRA board and the membership of both unions would vote together on authorizing a strike or ratifying a contract. AFTRA leaders have also urged such a move and a constitutional amendment authorizing joint action will be submitted to the AFTRA convention in July.

The SAG board directed President William Schallert to meet with AFTRA President Bill Hillman to set up a Joint National Coordinating Committee that would make recommendations for resolving differences to the governing boards of the two unions.

"I can no longer accept the possibility of one of our two unions voting to strike and the other not," Migden said. "I can no longer accept the possibility of one union terminating a strike and not the other . . . of one union accepting a contract and not the other."

AFTRA PRESIDENT Hillman, speaking later that week in San Francisco to AFTRA's Conference of Local Unions, said he personally favors merger but there remain problems of meshing the two organizations that must still be resolved.

Both he and AFTRA Executive Sec. Sanford Wolff expressed optimism that differences can be worked out and urged the local leaders to stimulate discussions among their membership as a prelude to "the important decisions that will be required of us in the near future."

Wolff noted that the two unions negotiate many of their contracts jointly and AFTRA has invited the SAG "to join with us as interested observers" in negotiations involving home box office and cable television.

At the SAG membership meeting, Migden said he hoped merger could be complete before the next motion picture and television negotiations in mid-1983.

THE SAG BOARD also voted to initiate renewed discussions of merger with the Screen Extras Guild "as expeditiously as possible."

The three unions are all part of the Associated Actors & Artistes of America, and many members hold cards in more than one performers' union.

A highlight of the SAG annual meeting was the presentation by Schallert of the union's "outstanding achievement" award to veteran actor and union activist Leon Ames.

AMES, WHOSE screen acting career dates back to 1932, was one of the founders of SAG and holds membership card 15. He served on the union's board for 34 years and was president in 1957-58.

The SAG board, in addition to acting on merger proposals, took "carrot and stick" approaches to equal opportunity issues.

It reaffirmed the union's support for affirmative action programs, voted to award citations honoring producers for positive affirmative action achievements, and called for establishment of a national holiday honoring the memory of the Rev. Martin Luther King, Jr.

The board also voted to institute nationally a program based on what its New York branch calls the "pass system."

THIS IS A special number that members may call if sexually harassed in connection with a job. A confidential report form is then filled out by SAG, and the union's staff determines if legal action is appropriate. Even if not, the report is kept on file to determine if there is a pattern of behavior for a particular employer. If so, further action can be considered.

The board approved branch status for San Diego and Houston, which entitles those units to elect representatives to the board. It also agreed to add a vice president so that both San Francisco and Florida can hold permanent seats. They currently share one position and alternate terms.



OUTSTANDING ACHIEVEMENT award of the Screen Actors Guild was presented to one of the union's founders, veteran actor Leon Ames, at the SAG annual membership meeting in Hollywood. SAG President William Schallert, left, and Vice President Larry Keith, center, congratulate Ames who is past president of the union and served 34 years on its board.

New Handbook Issued On Building Trades Pay

The Labor Dept. has issued its second handbook of union pay scales and fringe benefits in the construction industry, which summarizes about 5,000 collective bargaining agreements in 800 U.S. cities.

The second edition of the Handbook of Wages and Benefits for Construction Unions is based on data compiled by the department's Construction Industry Stabilization Committee. It contains contract information for 33 construction crafts including wages in effect on Jan. 1, 1981, health and welfare benefits, pension, vacation and other fringe benefit data.

Copies are available from the Office of Construction Industry Services, U.S. Dept. of Labor, Room N5655, Washington, D.C. 20216.

Metal Trades Cite Dangers Posed by Shrinking U.S. Fleet

America's "shocking and largely unrecognized" shortage of seagoing vessels of all kinds and sizes represents the gravest weakness in U.S. military security and a continuing drain on the nation's economy, the AFL-CIO Metal Trades Dept. warned Congress.

In letters to every representative and senator, MTD President Paul J. Burnsky said the U.S. Navy began 1981 with 446 ships in active service, up seven from last year, but less than half the 926 it had in 1969.

TWO YEARS AGO, the Navy said that it would need about 800 ships in the mid-1980s, Burnsky observed. Thirty ships a year is the most that can be built if 22 of the country's 25 qualified shipyards work on nothing else, he added.

"At best, starting today, the Navy's goal for the mid-1980s could not be met until the early 1990s," he said.

"The shortages are greater yet in the merchant marine," Burnsky pointed out. "Thirty years ago, nearly 4,000 American-flag vessels carried 60 percent of the nation's export-import cargo. Today, fewer than 600 carry 4 percent of it. Only 30 of these ships are dry bulk carriers, and all but two of them are 18 or more years old."

BURNSKY MAINTAINED that overcoming these shortages, both military and civilian, is infinitely more vital to U.S. national defense than the outcome of the debates over the MX missile system, the B-1 bomber, the neutron bomb, and other weapons now being contemplated.

"We are confident that if this picture could be reviewed by the Congress and the American people, they would be virtually unanimous in demanding a Navy and a merchant fleet capable of meeting any rational challenge to the security and prosperity of the nation," he said.

The MTD, whose 23 affiliated unions include among their 5 million members most of the country's shipyard workers, has no list of sure-fire remedies to the problem, Burnsky said, but two measures have obvious priority:

- An acceleration and broadening of the present Navy construction program, with emphasis on mobile, adaptable conventional forces.
- Establishing and guaranteeing funds for a long-range merchant marine construction program.

"Together, these could halt the erosion of the shipbuilding industry's industrial base, and stem its loss of manpower," Burnsky said.

CWA Wins Vote At Plant Owned By Japanese Firm

San Diego—Employees of the Japanese-owned Sanyo & E. E. Corp. chose the Communications Workers as their bargaining representative in a National Labor Relations Board election, overcoming intense management efforts to keep the union out.

The election victory at the refrigerator manufacturing plant came on a vote of 294 to 245, CWA District Vice President W. C. Demers reported.

Officials of the plant hired a union-busting consulting firm in an effort to turn back the organizing drive. But the CWA, with the cooperation of the Japanese Productive Center in Los Angeles, responded by producing an educational film showing business leaders in Japan describing the benefits of unionization.

Although virtually every major corporation in Japan is unionized, Japanese firms that have set up operations in the United States have at times conducted aggressive campaigns to prevent their workers from gaining union representation.

In seeking CWA representation, workers at the Sanyo plant cited efforts to correct low wages, lack of job security and seniority rights and unsafe working conditions.

NLRB Ruling Hits Struck Poultry Firm

Striking workers at Sanderson Farms' Laurel, Miss., plant were justified in their action against the firm by management's unfair practices, a National Labor Relations Board administrative law judge ruled.

Judge James M. Fitzpatrick also found that, by adopting an inflexible position and engaging in "surface bargaining," the company prolonged the February 1979 strike by Chemical Workers Local 882. He ordered the company to engage in good-faith bargaining and to reinstate the strikers on their application to return to work.

BASIC ISSUES in the dispute included working conditions, work rules, wages, and sexual harassment. Most of the workers at the poultry processing facility are women.

When the union sought to renew its contract with the firm two years ago, company negotiators took on a hardened attitude, flatly rejecting any extension, and indicated certain major provisions would cease to apply.

"Resort to economic pressure by either or both parties in support of bargaining demands is not in itself conduct indicative of bad faith," Fitzpatrick observed. "But here the company, in the process of hardening its position, also kept shifting its position, apparently to avoid terms to which the union might agree. This shifting of position was conduct evidencing a desire to avoid agreement.

"WHILE IT IS true that progressively shifting to harder positions is consistent with hard bargaining, it is also consistent with an ultimate purpose of not reaching agreement, and getting rid of the union."

Several months after the strike began, the company withdrew recognition of the union and unilaterally granted a wage increase to workers who stayed at their jobs in spite of the continuing strike.

ICWU President Frank D. Martino hailed the decision as "a monument" to the workers' perseverance, adding that "poor, simple workers are entitled to equity within the collective bargaining process." He criticized the firm's use of a highly paid "labor consultant," and noted that the strike of nearly two years has cost ICWU members considerable wage losses.

MARTINO SAID he has attempted to contact the company's owner, Joe Sanderson, to meet with the union bargaining committee to resume negotiations, as directed by the NLRB judge.

"We urge Joe Sanderson to repudiate the so-called advice of his 'labor consultants,' and deal with his employees on terms which recognize their dignity as human beings," Martino said. "Meanwhile, we call upon our striking members in Laurel to hold their heads high. Their faith and belief in what is right is vindicated."

A Clearly Defined Role

THIS YEAR is the 100th anniversary of the founding of the national trade union center which evolved over the years into the present AFL-CIO.

This celebration gives us an opportunity to rededicate ourselves to the basic, fundamental purpose of our labor movement—the protection and promotion of the human rights, freedom, dignity and welfare of working people.

The existence of free, democratic labor unions is a fundamental and essential component of a free, democratic society. Where workers do not have the right to organize and bargain with their employers through institutions and leaders of their own choosing, there is no democracy. That is why the AFL-CIO continues to support the creation and development of free trade unions among the workers of all countries, wherever our help is needed and wherever that help is requested.

DEMOCRACY NEEDS free trade unions, and free trade unions can flourish and perform their proper role only in a democratic society. Democracy and free trade unions strengthen and reinforce each other. What weakens one, weakens the other and what strengthens one, strengthens the other.

In the United States there is a revival of anti-union attacks from right-wing forces which seek to turn back the clock on the achievements and improvements in labor-management relations developed over the 45 years since our basic labor law was enacted.

These attacks on unions will not succeed in weakening our determination to effectively represent the working people of America at the bargaining table, on the shop floor and in the halls of the national and the state legislatures.

These attacks will not stop the growth and progress of the American labor movement. There will be substantial gains in union membership in the 1980s—continued growth in sectors in which unions have been gaining members, and expansion in industries and geographic areas where progress has been slow.

WORKERS, whose buying power is falling daily because of inflation and whose jobs are threatened by growing unemployment, are more likely to seek the income protection and the job protection provided by union membership and by union contracts.

The aging of the workforce and the changing role of women will also encourage union membership. Older workers with family and community ties are more inclined to look to collective action to try to improve the jobs they have. As more women are heading households or are assuming a larger share of the breadwinner's role, women workers also can be expected to want the job security and improved wages that depend on collective action through labor unions.

In spite of the sniping of the right wing, the need for a labor movement in America has never been greater and our role never more clearly defined. Through collective bargaining, we seek to improve the lives and conditions of our members; through political education, we seek to protect those who are unorganized from economic or political exploitation.

—From an address by AFL-CIO President Lane Kirkland to Japan Institute of Labor, Tokyo, Jan. 27, 1981.

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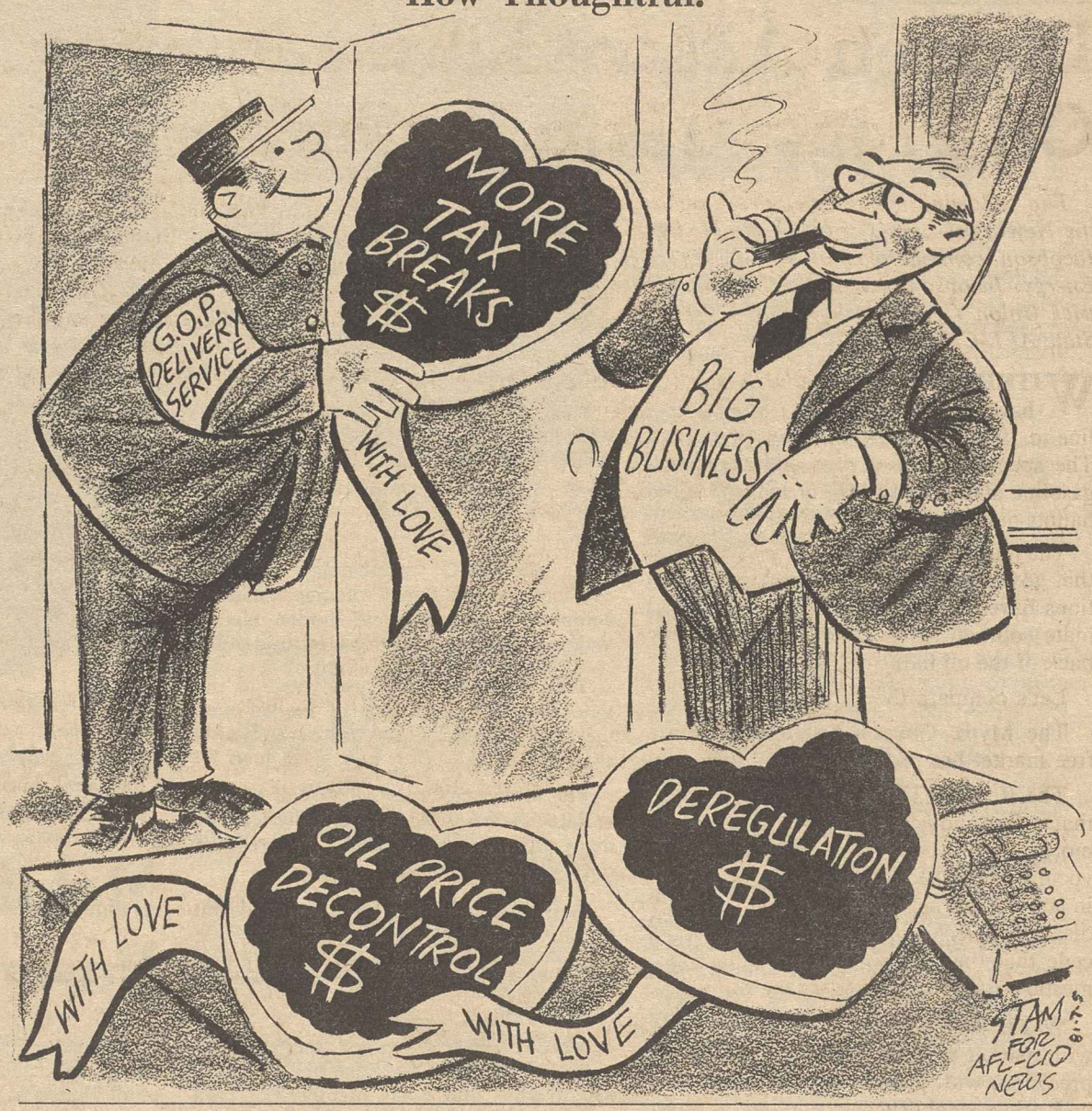
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'How Thoughtful!'



Message to U.S. Firms

Import Surge Can Be Checked By Heeding Consumer Gripes

By Gus Tyler

BUSINESS PEOPLE should not be unhappy with the consumer movement. They should encourage it. In the long run, active consumerism is in the best interest of business itself.

The proposition sounds perverse. Yet, it was seriously advanced at this year's annual meeting of the American Marketing Association by Robert R. Reich, director of the Federal Trade Commission's office of policy planning.

In a forthright statement, Reich maintained that consumers have a lot to teach companies that produce products. "Consumer complaints," he says, "are one of the most important marketing assets available. They can serve as early warning devices—signalling that brand loyalty may be in danger unless certain changes are made. Business should actively solicit complaints, using them as part of their marketing strategy, putting toll free numbers on packages and labels, and instructing consumers to call in immediately with any problems they have."

ONE OF THE REASONS that American companies are losing out to foreign competitors in the American market is the insensitivity of too many U.S. companies to the needs and reactions of consumers.

The American shopper gets fed up with "products that are unsafe, defective, shoddy, that fail to live up to their advertising claims, or manufacturers who neglect to disclose important information to purchasers." The consumer buys an "import," not necessarily for lower price, but for higher quality.

While cheap labor, international trade arrangements, and other factors undoubtedly influence the flow of imports into the United States, there is no doubt that, in some product areas, American producers have been losing out because they insult the intelligence of the American consumer.

FOR MANY YEARS, American producers indulged in the policy of "planned obsolescence." The idea was to plan the predictable breakdown of the commodity—usually a fairly heavy piece of equipment like a kitchen appliance or an automobile. The plot to calculate the collapse seemed to make sense.

First, a part would go—and the manufacturer could make profit by selling and installing the broken piece. Then the whole machine would go—and there would be more profit in a new sale for replacement.

This sorry scheme worked, until some American consumers discovered that they could buy the same product from an overseas producer with a measure of certainty that it would last. So they switched.

SUPERIOR QUALITY control is, obviously, not the sole way that overseas producers have penetrated the American market deeply. Many "imports" are dumped here below the price in the country of origin; many are subsidized; many are made with incredibly exploited labor. But, some are winning because they are better.

The moral of Reich's story is one that American companies can only ignore at their own peril: if the manufacturers don't give a damn about consumers, they cannot expect consumers to give a damn about them.

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Federal Protection— A Species in Danger

We will stand with you to see that protection for the consumer, protection in the workplace, protection for the environment do not go the way of the dodo bird on the pretext of "getting government off the backs of American business."

All Americans are eager to slay the inflationary dragon, but the burdens of that battle should not fall most heavily on those least able to bear them.

The current movement against government regulation has very much the look of a desire by the strong to regain prerogatives over the weak.

Individual regulations can and should be subject to criticism. But this all-out attack on the concept of health and safety regulation must be resisted if we are to continue to be a decent people living in a decent society.

—William H. Wynn, president of the Food & Commercial Workers, at the Consumer Assembly, Washington, D.C., Feb. 6, 1981.

Myth vs. Reality

Decontrol More Likely to Spur Oil Profits Than Exploration

The following is excerpted from an article in the New York Times, Jan. 11, 1981, by Joel R. Jacobson, commissioner of New Jersey's Dept. of Energy. Jacobson headed the New Jersey Industrial Union Council prior to the merger of the State AFL-CIO in 1961.

WITHIN THE LAST DECADE, Americans have experienced major shortages of gasoline in 1974 and 1979 and in natural gas in 1977. The specter of closed factories and long lines at gasoline stations still lingers in our memories and haunts our future.

The major domestic oil companies have charged that government price controls and supply allocations have caused the shortages and that the ultimate solution is to "get the government off the back of the oil industry."

Let's compare the myth with reality.

The Myth: Government interference with the free market has precipitated the energy shortages.

The Reality: There is validity to the argument that a free industry operating in a free market is more efficient. A vital corollary ignored by the vocal free marketeers is that a controlled industry in a free market almost always is an economic disaster. Even its most lusty defenders will concede that the oil industry—both foreign and domestic—is anything but free.

WITH ACCESS to crude oil severely limited, with market areas and shares defined with clinical precision, with growth rates, distribution patterns and prices established in tandem and with admission to this cozy cousins club denied to outsiders, the oil industry meets the freshman economics classroom description of a cartel, monopoly and/or oligopoly.

Against this backdrop of a smooth partnership, an examination of statistical data reported by the American Petroleum Institute and the U.S. Dept. of Energy reveals that it was the combined manipulation of the market by the domestic majors that caused the gasoline shortages, not government regulations.

The oil industry attributed the shortage to the disruption of oil imports from Iran. The blunt fact is that many majors were hardly affected at all. Mobil, Texaco and Shell imports from Iran were an infinitesimal percentage of their total domestic refinery capacity. The total nationwide shortfall from Iran amounted to 5 percent of normal imports.

THE MYTH: The current levels of earnings and cash-flow of America's major oil companies are insufficient to finance expanded exploration and production.

The Reality: An analysis of reports filed with the Securities & Exchange Commission offers a ringing refutation of this myth. For example:

The combined net earnings of the five largest domestic oil companies (Exxon, Mobil, Socal, Gulf and Texaco) amounted to $6.6 billion in 1978 and $11.2 billion in 1979, an increase of 70 percent. Last year will be the most lucrative year in the industry's history. In the first nine months of 1980, the combined earnings of $12 billion already had exceeded the record-high, entire-year earnings of 1979.

The Myth: Decontrols, higher prices and greater profits will create an "incentive" for the oil companies to drill for new resources.

The Reality: The Mobil Oil Corp.'s higher profits stimulated its "incentive" to drill, to probe, to dig, to explore until it struck Montgomery-Ward, which it promptly purchased and has since magnanimously presented with an "interest-free loan" of $200 million.

EXXON HAS purchased a manufacturer of electric engines, Atlantic Richfield has bought a London newspaper, Tenneco has acquired an almond orchard, Texaco has expanded into a veterinary chemicals operation and the Sun Oil Co. now owns a grocery chain and a manufacturer of fever thermometers.

The Myth: The new oil industry "incentive" created by decontrols, higher prices and greater profits will increase exploration for, and the production of, new resources.

The Reality: Within the last 10 years, the price of crude oil has increased 1,600 percent, but the number of exploratory wells drilled increased by only 10 percent. While the number of wells explored within the last three years has remained constant, the drilling activity has only now begun to regain the levels of more than a decade ago.

While the domestic majors boast that they are spending more money today than before, the lion's share has been allocated for the purchase of, and/or production at, oil fields with known reserves, rather than exploring for new resources.

IN 1979, the five largest domestic oil companies spent only half of their available cash-flow of $19 billion on production, with the remaining portion used to pay $2.7 billion in dividends, $1.9 billion to buy other companies, $2.8 billion for retained earnings and $1.5 billion for other disbursements.

Despite the record-breaking profits, higher retained earnings, startling inventory profits, expanded dividend payments and massive diversification expenditures, the domestic oil majors have spent a declining share of their cash-flow on exploratory drilling.

One gnawing question remains: If the major American companies are reluctant to search for new sources of domestic oil and natural gas at their current record-high level of riches, why should the rest of us believe that decontrols, higher prices and still greater profits will provide any new "incentive" to drill for more?

Counterproductive Move

Reagan Job Freeze Lengthens Backlog at Federal Agencies

FEDERAL AGENCIES, already operating shorthanded, will fall even further behind their workload under the Reagan Administration's job freeze without substantially cutting payroll costs, President Kenneth T. Blaylock of the Government Employees predicted.

He stressed that the Reagan freeze order will only worsen the problems that resulted from President Carter's directive a year ago that agencies could fill only one of every two vacancies that occurred. He added that the action will prove to be little more than a "counterproductive symbolic gesture" to fulfill a campaign pledge.

Questioned by reporters on the network radio interview Labor News Conference, Blaylock said AFGE strongly believes that the retroactivity aspect of the freeze won't stand up and is prepared to bring court challenges in cases where people already on the job are harmed by the backdating. He said that there is also serious doubt in the legal community that Reagan's attempt to make the freeze apply to a period before he took office will withstand a court test.

Blaylock turned aside the contention that there are far more federal workers than are needed to do the job. "In reality," he declared, "there are fewer federal workers on the rolls today than there were in 1961." He said that the real problem is the "imbalance" in the federal workforce that has grown since the mid-Sixties, with a "dramatic shift" of workers into statistical and reporting jobs.

THE PROBLEM of a short workforce is severe in field positions "where there is direct contact between federal workers and citizens."

Blaylock said that as a result of the year-long Carter hiring freeze, many branch offices have been forced to schedule heavy overtime for regular employees and have added a large number of students and other part-time workers. He said that these conditions have produced a higher rate of errors, longer delays and much of the "dissatisfaction with government."

Washington Window

By Press Associates, Inc.

CHAIRMAN-DESIGNATE Murray Weidenbaum of the President's Council of Economic Advisers has had an obsession with "cost-benefit" analysis for the past decade, especially while he headed the business-financed Center for the Study of American Business at Washington University in St. Louis.

Weidenbaum became a hero to business because his "cost-benefit" approach almost always finds the cost of government regulations outweighing the benefits.

The Weidenbaum cost-benefit approach was devastated in hearings before a House subcommittee last year.

SUBCOMMITTEE Chairman Bob Eckhardt (D-Tex.) reported the panel found the cost-benefit approach "far too primitive" at this stage. The panel said it should be used only if its shortcomings are recognized and only in the context of full and open rule-making.

Not only was the cost-benefit approach reborn with the selection of Weidenbaum as President Reagan's chief economic adviser, but the President himself relied on Weidenbaum's dubious data in his "economic calamity" speech of Feb. 5.

The subcommittee report observed that the most widely publicized "number" in the cost-benefit analysis proposals is Weidenbaum's estimate that the aggregate costs of issuing and complying with federal regulations totaled $121 billion in Fiscal 1979 or about $500 per capita.

Reagan used this in his TV speech, saying "it is estimated" that regulations add $100 billion to the cost of the goods and services we buy and "another $20 billion is spent by government handling the paperwork created by those regulations."

THE ECKHARDT PANEL examined Weidenbaum's study and found it "meaningless." In adding up regulatory costs, Weidenbaum neglected to show whether the benefits of regulations exceeded their costs.

In calculating costs, Weidenbaum "mixes apples and oranges," the report noted. He includes old-line cartel regulatory agencies such as the Interstate Commerce Commission with newer social regulatory agencies such as the Environmental Protection Agency, Occupational Safety & Health Administration and others.

Weidenbaum arrived at his cost totals by comparing the estimated cost of regulation with the budget of an agency. He then developed a multiplier of 20—the cost to the private sector being 20 times that of the budget.

Even here, his method was questioned. Weidenbaum used figures for 1976 showing a cost of $25 billion imposed by paperwork required by government for IRS forms, Census forms, and forms needed for government contracts, subsidies and loans, as well as for EPA, OSHA and other programs.

BUT CRITICS of Weidenbaum's methods cited a General Accounting Office report estimating the paperwork burden for federal programs monitored by GAO and the Office of Management & Budget at $1 billion and the total cost of federal paperwork at $5 billion. This would mean the real cost is only one-fifth of what Weidenbaum claimed and it also would force a drastic cut in his multiplier of 20.

In addition, the critics note that of the $1 billion monitored by GAO and OMB, the job health, safety and environmental regulation portion is under 10 percent or "less than one-half of 1 percent of Weidenbaum's figure" for the burden of paperwork.

Another factor contaminating cost-benefit studies is that the regulated industry usually is the source of the cost data. In the famous case of OSHA's vinyl chloride regulation, the industry protested it would cost $90 billion and 2.2 million jobs. As it turned out, the total cost of compliance came to $300 million, no jobs were lost and operating costs declined as industry devised emission controls.



GOVERNMENT JOB FREEZE ordered by the Reagan Administration will throw shorthanded federal agencies even further behind their workload without cutting payroll costs, President Kenneth T. Blaylock, center, of the Government Employees warned on Labor News Conference. Reporters questioning the AFL-CIO vice president were Philip Shandler, left, of the Washington Star and Jerome Cahill of the New York Daily News. The public affairs interview is aired weekly on Mutual radio.

How to Buy

Creditors Must Refund Gains On Sale of Repossessed Cars

By Esther Margolius

BERT ZIPHER poured his hard-earned money into his 1978 Chrysler. Unfortunately, his money ran out and Bert fell behind on his payments to Chrysler Credit Corp. As his car was being towed away, repossessed by the finance company, Bert figured that was the last he would ever see of his car. And it was.

But he didn't know that he was entitled to any profits realized by the auto company after the resale of the car and after repossession charges had been deducted.

Over the past three years, the Federal Trade Commission has charged that the finance companies owned by the big three auto manufacturers have failed to disclose to consumers that they are entitled to the profits left over from the resale of their cars.

Chrysler has become the latest of the major auto makers to adopt accounting procedures which, it is hoped, will protect the rights of future credit consumers if their cars or trucks are repossessed. This consent agreement is the third worked out by the FTC since 1976, when parallel cases were started against General Motors and Ford and their credit subsidiaries. Ford settled in April 1979 and General Motors in July 1980.

REFUNDS AVERAGING $200 each are to be paid by Chrysler-owned dealerships to those whose Chrysler cars and trucks have been repossessed since 1974, according to the FTC.

Future defaulting customers must be made aware of their rights to receive surpluses and to redeem or buy back their vehicles. From now on, car dealers must get the best possible resale price and pay any resulting surplus, less expenses, within 45 days after resale.

Many installment contracts have what is called an "acceleration clause" which says the finance company can make a delinquent debtor pay the entire balance or lose the car or other purchase. This provision is not only unfair; it's actually in conflict with the laws of some states.

The Uniform Commercial Code states clearly that repossessed vehicles must be sold in a "commercial reasonable manner," credit union authorities point out.

State laws covering the repossession of property may vary, so it is suggested you check with your state's attorney general's office to find out the procedure for redeeming your car.

In New York, a delinquent debtor may redeem his car by paying only the past due installments and repossession expenses. In addition, a finance company that repossesses or accepts a voluntary surrender of a car must, within 24 hours, deliver or mail to the debtor a notice of his right to redeem the vehicle and the dollar amount needed.

Chrysler Credit Corp., according to FTC records, repossesses some 12,000 to 16,000 cars and trucks annually. Higher car prices and surging inflation are sure to drive the repossession percentages to the auto manufacturers even higher.

To many people, a car is an economic necessity, therefore the threat of repossession can have tremendous repercussions. If your car is taken away from you, it may still be possible to redeem it, acting quickly enough.

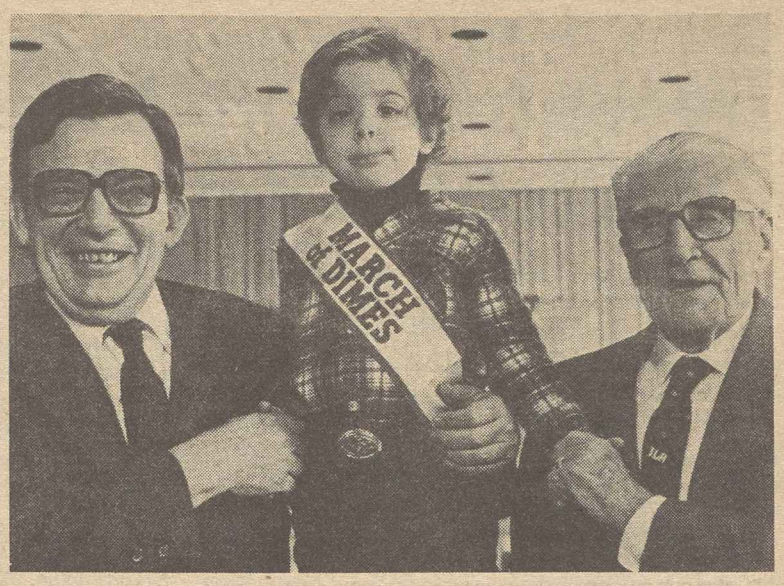
GET IN TOUCH with the finance company and find out what the terms are for redemption of the car, and how much time you have to act. If you do not receive notice from the finance company at the time of repossession, or otherwise receive no satisfaction from dealing with them, it is suggested that you get in touch with the state attorney general's office, the FTC or your local department of consumer affairs.

When closing any deal with a finance company, whether it is for a new automobile, a major appliance, a home improvement loan or whatever, take the time to read the contract carefully. Understanding the terms of the contract, your responsibility, and the ramifications for defaulting, may save you some grief.

Ask for an explanation of your rights as a consumer in the event of defaulting, and get a copy of those rights in print. Be careful that you do not sign a waiver to those rights.

It may be small solace to Mr. Zipher or anybody else in that uncomfortable position, but a check for the resale profits on a repossessed car may come in handy one day. Perhaps when he has to make a down payment on a new one.

(Copyright 1981 by Esther Margolius)



MARCH OF DIMES poster child Thomas Roselius teams up with AFL-CIO President Lane Kirkland and Vice President Thomas W. Gleason to help promote the Feb. 13-16 March of Dimes fund-raising telethon. Kirkland and Gleason, along with Labor Sec. Raymond Donovan, are national honorary co-chairmen for labor of the annual telethon.

Beyond Plant Gates

Job Health Hazards Shared by Families

By Dr. Phillip L. Polakoff

HOW BIG is the problem of job-related diseases? In a report to Congress last year, the Labor Dept. estimated that nearly two million workers are severely or partially disabled because of illnesses connected with their jobs.

Approximately 700,000 of these workers suffer long-term total disability. Another 1.2 million are partially disabled and temporarily out of the labor force, or limited in the kind or amount of work they can perform.

The Labor Dept. based its estimate on information obtained from an interview survey of disabled individuals between the ages of 20 and 65. Besides not counting workers over the age of 65, the survey also does not include persons who may have died from occupational diseases. Occupational cancer deaths, therefore, are omitted from the data.

FOR THESE REASONS, the estimate of nearly two million workers whose health is being impaired by their jobs would appear to be conservative. There is another side to this problem that magnifies its severity. Occupational hazards pose threats to health that extend beyond the workplace itself.

For example, workers sometimes expose their families to health risks by carrying toxic substances home on their clothing. Studies have shown that children of workers involved with lead dust have higher levels of lead in their blood than normal.

Even worse than lead poisoning is the threat to life from exposure to asbestos dust brought home from work. There are documented cases of death from cancer among women who washed their husbands' dusty clothes, and even among children who played with their fathers after work.

THE LONG REACH of occupational diseases even extends to future generations. The National Institute for Occupational Safety & Health (NIOSH) has estimated that of the 16 million working women of child-bearing age about one million are exposed to substances that could harm their unborn children.

And reproductive hazards are not limited to women. Substances such as lead and the pesticide DBCP can cause sterility and impotence in men. Both sexes are susceptible to genetic damage that can show up as birth defects in their children.

Wives of workers exposed to lead, vinyl chloride and anesthetic gases used in hospital operating rooms often have higher than average rates of miscarriages and birth defects among their children.

There is still another factor that further enlarges the problem of work and health. Factories that are hazardous places to work, also can pollute the entire community.

IN ADDITION TO the ill effects on individuals caused by DBCP, the pesticide also has been found contaminating drinking water supplies in a number of communities.

Likewise, the chemical kepone represented a hazard for the general population of a sizable area along the James River in Virginia as well as for the people who manufactured it.

In fairness, it must be said that health problems that originate outside the workplace can contribute to occupational illnesses and injuries. We bring to our jobs our own genetic makeup; our eating, drinking and smoking habits; our personal family problems, and our particular way of looking at and reacting to health and sickness.

One example of this interrelationship between occupational and non-occupational factors is the dramatic increases in the risk of lung cancer among asbestos workers who smoke.

Job-related disease is a personal tragedy for workers and their families. But when we multiply these individual calamities by the nearly two million estimated victims, the problem widens to national scope. The quality of life in America then becomes the issue.

Soup to Nonsense

Simple Revamping of Calendar Can Ease February's Misery

By Jane Goodsell

WITH HEMLINES on the rise again and a new administration in the White House, it's high time to make some changes in the calendar. Do you realize that the one we're using now, in the last quarter of the 20th Century, was dreamed up by the early Romans in the time of Julius Caesar? This makes no sense. For one thing, the climate in Italy bears no resemblance to the weather in, say, Minnesota and Vermont where February is not just another month but a calamity.

I can't understand why we've put up with that calendar down through the centuries. We aren't still using Roman numerals and running around in togas. Why then are we living our lives according to a system that made sense to Julius Caesar who, incidentally, wasn't all that sensible. If he'd used his head, he'd have stayed at home on the Ides of March as he was warned to do.

AS A FIRST STEP, I suggest switching the start of the year to the first of September. Certainly there could be no more unsuitable time to begin a new year than the first of January. Who feels like taking on anything new by the time that lackluster, anti-climactic month rolls around? Having exhausted our energies and our bank accounts getting through the holidays, we are in some doubt about whether there actually is a life after Christmas, and we are in no mood for fresh starts and firm resolves.

September is the right and proper time for the start of a new year. Heralding as it does the end of summer and the beginning of school, it is a season of renewal. There is a tang in the air and a quickening of tempo that makes a brighter future seem quite possible.

THE BEST SOLUTION to February would be to eliminate it entirely, but if that's not possible it should be moved to some more convenient time of year. Say, for instance, in between June and July.

On top of having miserable weather, February is ruinously expensive. Its fuel bills alone are exorbitant, not to mention the staggering costs of antibiotics, fever thermometers, cough syrups, snow shovels, tow trucks, boots, mittens and cords of firewood. It is outrageous that this terribly costly month should come right on the heels of January bills, and only a few weeks before income taxes are due.

A COUPLE OF other suggestions: Right after the blustery month of March would be a nice time for the hot, lazy month of August. This, in turn, would leave open an interval between July and September when refreshing April showers would be a welcome and needed change.

These suggestions are only a beginning, and a study committee could surely come up with some other ideas. I suppose these adjustments will have to be worked out to jibe with the phases of the moon and the equinoxes, but I shouldn't think that would be an insurmountable problem. The way I look at it, if they can monkey around with George Washington's birthday, they can surely do something about the winter solstice, right?





PROGRAMS TO SPUR increased participation of women in their unions and to help women staff members advance their position within the labor movement were explored at recent Washington conferences. More than 50 representatives from 30 unions took part in seminars conducted by the Coalition of Labor Union Women, left. Thirty-five women staffers of international unions also participated in a three-day conference for affiliates of the AFL-CIO Dept. for Professional Employees, right. Key conference speakers included, seated from left, Ellen Wernick, DPE Women's Project coordinator; DPE Executive Director Jack Golodner; AFL-CIO Vice President Joyce Miller, who also is president of CLUW and a vice president of Clothing & Textile Workers. Standing from left are Gloria Johnson, director of education and women's activities for the Electrical, Radio & Machine Workers; Regina Canuso, research assistant for DPE's Women's Project, and President Rodney A. Bower of the Professional & Technical Engineers. Workshops and discussions of women's issues highlighted both conferences.

Court Ruling Slaps Stance Of Struck Glassware Firm

Denver—A federal court has upheld a ruling that the Bartlett-Collins Co. illegally refused to bargain in good faith with the Flint Glass Workers by insisting that all negotiations be recorded by a court stenographer.

Workers at the company were forced to strike in late 1974 after repeated attempts to bargain failed, and in 1977 the AFL-CIO Executive Council endorsed the Flint Glass Workers' nationwide boycott of Bartlett-Collins products.

The decision by the U.S. Court of Appeals for the 10th Circuit upheld the 1977 finding by the National Labor Relations Board that the stand of the Sapulpa, Okla. glassware manufacturer constituted an unfair labor practice.

THE NLRB AND the court agreed with the union's position that the presence of a court reporter was not a mandatory subject of bargaining and there is "no significant relationship" between stenographic recording of the meetings and the terms and conditions of employment.

The Flint Glass Workers were certified as the bargaining agent for Bartlett-Collins employees in 1974, but have been unable to reach an agreement with the company despite an earlier NLRB order instructing the company to bargain after finding it guilty of other unfair labor practices.

Following that decision, the company told the union that it would not engage in bargaining unless a court reporter was present at all further meetings.

THE UNION rejected this demand, declaring that it would create "a courtroom atmosphere" that could chill negotiations and frank discussion, and create "feelings of discomfort, tension and reluctance to state their views" among members of the bargaining committee.

Although the union suggested that an electronic recording of the meeting would be acceptable, Bartlett-Collins refused and insisted that the presence of the court reporter was necessary before any further bargaining could take place, prompting the union to file the new charges.

Reagan Names Florida Builder To Head OSHA

(Continued from Page 1)

in New York since 1978 and has held various posts with the bank since 1972. He has been a councilman and council president of the borough of Bernardsville, N.J., and served on a committee concerned with the revitalization of rail mass transportation in the Northeast.

Angrisani holds degrees from Washington and Lee University, Fairleigh Dickinson University and New York University.

RYAN, 35, who will be the department's chief legal officer, has worked since 1978 in the area of labor and employment relations for Pierson, Ball & Dowd, a Washington law firm that has conducted anti-union seminars for management officials and has been identified with union-busting efforts in organizing campaigns. He has been a National Labor Relations Board attorney and has taught at the Georgetown University Law Center.

Key Labor Panels in House Retain Liberal Leadership

(Continued from Page 1)

new political climate in Washington makes it imperative for me to focus my primary efforts on the rights of the American worker."

Burton pledged to work for the goals of "a decent wage, fair collective bargaining, adequate pension benefits, and a safe and healthful workplace."

The Labor Standards subcommittee also lost a chairman in the election, Edward P. Beard (D-R.I.), who had an 88 percent "right" COPE voting score. His successor, George Miller (D-Calif.), is in the same ballpark with an 85 percent "right" voting record.

OTHER SUBCOMMITTEE chairmanship changes are in two of the education panels. Rep. Paul Simon (D-Ill.) switched to head the Postsecondary Education subcommittee and Rep. Austin J. Murphy (D-Pa.) replaces him as chairman of the Select Education subcommittee.

The other chairmanships are unchanged. Rep. Carl D. Perkins (D-Ky.), who heads the full committee, remains also as chairman of the Elementary, Secondary & Vocational Education subcommittee.

REP. AUGUSTUS F. Hawkins (D-Calif.) continues as chairman of the Employment Opportunities subcommittee. The Health & Safety subcommittee remains under Rep. Joseph M. Gaydos (D-Pa.), and Rep. Ike Andrews (D-N.C.) continues to head the Human Resources subcommittee.

The Republicans were still in the process of choosing ranking minority members for the various subcommittees. Each party completed its roster of committee members by filling a vacancy. The new Democrat is Dennis Eckart (D-Ohio), who was elected last November to the seat held by Charles Vanik, who retired after more than 25 years in Congress. Republicans named a conservative first-termer, Wendell Bailey of Missouri, to the GOP vacancy.

5th Graders Raise Funds for Cambodia

San Francisco—Fifth-graders at San Fernando Valley Elementary School, who were touched by the plight of other youngsters halfway around the world, raised $106.17 for the AFL-CIO Cambodia Crisis Campaign.

The 28 students in Mrs. Virginia Krussow's class earned the money by selling minature Christmas trees they had made from pine cones. It was part of a three-week project in which they dipped the cones in plaster and decorated them with tissue paper.

Mrs. Krussow suggested the fund-raising project to the students after reading about the federation's Cambodia campaign in the weekly Los Angeles United Teacher newspaper.

Panel to Probe New Allegations Against Donovan

New allegations against Labor Sec. Raymond J. Donovan will be examined "in a thoroughly bipartisan manner" by the staff of the Senate Labor & Human Resources Committee, Chairman Orrin G. Hatch (R-Utah) said.

Hatch declined the request of five committee Democrats that the committee ask the FBI to reopen its investigation of reports linking Donovan and the New Jersey construction company, with which he was associated, of ties to organized crime figures. But he said that any "substantive" findings by the committee staff would be passed on to federal law enforcement agencies.

DONOVAN, WHO was confirmed for the Cabinet post by an 80-17 vote after an extensive FBI investigation found no evidence to support similar allegations, termed the new accusations "false, unfounded and unsubstantiated."

The letter to Hatch, signed by Senators Edward M. Kennedy (Mass.), Claiborne Pell (R.I.), Thomas F. Eagleton (Mo.), Howard Metzenbaum (Ohio) and Donald W. Riegle, Jr. (Mich.), cited previously undisclosed information that Donovan had testified as a witness in a 1973 trial of New Jersey public officials in relation to purchase of top soil from what may have been public property. Neither Donovan nor the Schiavone Construction Co. were defendants in the case.

The five committee members also cited what they termed "serious inaccuracies" in an FBI report that it was unable to confirm allegations of an association between a reputed crime figure and Donovan's firm. They said a reporter for a New Jersey newspaper, the Bergen Record, had uncovered links that added credence to the allegation.

Prevailing Wage Law Upheld by Missouri Court

Jefferson City, Mo.—Missouri's highest court has upheld the state's "little Davis-Bacon Act," which requires payment of prevailing wages on public construction projects.

The state Supreme Court unanimously rejected a legal challenge by the city of Kennett, in the southeast part of the state, which protested wage determinations involving a water and sewer project and a street resurfacing project. The city had questioned both the procedure for setting prevailing wages and the constitutionality of the "arbitrary" classification of projects as either "building construction" or "heavy construction."

IN DISMISSING the challenge, the Missouri Supreme Court said the city had not made a case for questioning the law's constitutionality, and the record showed that the city had ample opportunity to challenge the preliminary wage determinations by introducing evidence and questioning witnesses.

The State Building & Construction Trades Council, which entered the case at the request of the Eastern Missouri Laborers' District Council, welcomed the ruling as "a victory for all construction workers."

But State Council President E. J. Cantrell noted that one of the seven justices, in a concurring opinion, suggested the desirability of changing the law. Cantrell said such comments make it clear that the building trades affiliates "will have to be ever-vigilant" against attempts to weaken labor standards in the state legislature.

A recent national newsletter of the AFL-CIO Building & Construction Trades Dept. noted that bills to repeal the prevailing wage laws have already been introduced in a number of legislatures that have begun their 1981 sessions, and a labor-opposed repeal bill was given quick committee approval in the Colorado House of Representatives.

Revised Guide Issued For Union Meetings

A revised and updated edition of the 64-page booklet, "How to Run a Union Meeting," is available from the AFL-CIO as a guide to help local union leaders conduct orderly sessions and boost membership interest, participation and attendance.

The handbook outlines duties of officers and parliamentary rules, and provides suggestions on planning meetings and improving agendas.

Copies of the pamphlet, Publication No. 81, are available at 20 cents each from the AFL-CIO Pamphlet Division, 815 16th St., N.W., Washington, D.C. 20006. The charge for additional copies is $15 per 100.

'Rocky Road Ahead'

Wynn Warns of Threat To Consumer Progress

By James M. Shevis

AFL-CIO Vice President William H. Wynn warned consumer leaders from around the country that implementation of the conservative economic policies of the Reagan Administration will mean "a rocky road ahead" for both labor and consumers. He called for strengthened ties between the two groups.

Noting the long tradition of cooperation between the labor and consumer movements, Wynn said that while "we have written a record in which both labor and consumers can, and should, take great pride. . . . I fear much of the progress for which we fought so long and so hard is in danger of being sacrificed on the altar of supply-side economics."

WYNN, WHO is president of the Food & Commercial Workers, told some 300 delegates to the annual Consumer Assembly of the Consumer Federation of America that he was concerned over the rightward swing of the political pendulum in Congress.

"Neither labor nor consumer groups can match the money which special interests and their political action committees can pour into lobbying efforts and elective politics. Surely we have learned that by now," he said. "Surely we now know that if we do not hang together, we will most assuredly hang separately. Let us join together to make sure that doesn't happen."

Wynn expressed concern over reports that the Reagan Administration plans to cut back the nation's food stamp program, restrict student loans, and reduce other "people" programs in the fiscal 1982 budget. Oil has been decontrolled ahead of schedule, and this can only pump up the price of gasoline and home heating oil, he noted.

Addressing another sectoral cause of inflation, Director Henry B. Schechter of the AFL-CIO Office of Housing & Monetary Policy warned that the Federal Reserve Board's determination to maintain a tight-money, high interest rate policy practically assures a significant decline in housing construction in 1981.

"WHILE THE Federal Reserve policy is intended to fight inflation, it will be self-defeating," Schechter warned, adding that credit policies that restrict housing construction fuel inflation in the rest of the economy.

Schechter reiterated the federation's call for reactivation of the 1969 Credit Control Act to regulate credit. Used for the first time early last year, the measure's credit control mechanisms helped bring the prime rate down from 20 percent to 11 percent over a four-month period, and aided in the housing pickup that followed, he observed. Since then, interest rates have again climbed and housing is about to decline, he pointed out.

"IF IT BECAME an announced, established policy that the previously mentioned credit control powers would be employed from time to time to dampen future economic overheating," Schechter said, "there would be more acceptance of measures to counteract the prolongation and intensification of the recession."

Schechter, who participated in a panel discussion led by Sen. James Sasser (D-Tenn.) on the current economic crisis, endorsed the senator's proposal for a restructuring of the Federal Reserve Board.

He expressed doubt, however, as to whether a proposed dual interest rate policy would be workable, since investors would shift most of their funds into loans that would bear the higher interest rate.

'He Says Not to Worry . . .'



Cost of Necessities Exceeds 1980 Overall Inflation Rate

(Continued from Page 1)

new tax cuts, and military spending increases will intensify inflation in general," said the center's directors, Gar Alperovitz and Jeff Faux. "Interest rates are back up and show no signs of coming down to mid-1980 levels, and the Agriculture Dept. is predicting food inflation in the 15-percent range for the coming year.

"Budget-cutting will alter none of this. In the absence of carefully targeted strategies to moderate prices in the specific sectors, there is no way to avoid an inflation calamity."

MEANWHILE, there is little apparently that the average family can do to shield itself from the steady rise in prices in the key sectors. As Alperovitz and Faux put it, "When heating oil and food bills go up, they must be paid as they come due."

The food, energy, medical care, housing and interest rates sectors are areas where labor costs have little or no impact on prices, the AFL-CIO study noted.

"Wage-push does not explain current inflation," it observed. "Wage increases for the average worker have been eroded over the past two years, particularly by inflation and secondarily by taxes. Real earnings are down substantially from a year earlier, and well below the level of two years ago."

The National Center's study showed that the rise in prices of necessities was at an even steeper rate in the final quarter of 1980 than for the year as a whole. Seasonally adjusted prices in the four key sectors rose at a combined 15.2 percent annual rate, almost 75 percent higher than the 8.7 percent inflation rate for other items.

Building Trades to Press Quick Solution of Disputes

Bal Harbour, Fla.—Building trades unions will seek to resolve a greater share of their jurisdictional disputes through direct on-the-spot or union-to-union settlements, reserving the more formal disputes settlement procedures for those issues that cannot be more simply resolved.

The 15 union presidents who make up the governing body of the AFL-CIO Building & Construction Trades Dept., agreed to continue to explore pragmatic approaches that would lead to earlier-stage settlements.

BCTD PRESIDENT Robert A. Georgine said the consensus was that the present impartial board for the settlement of jurisdictional disputes serves an essential function, but that agreements worked out directly by the parties closest to the situation are generally preferable.

Former Labor Sec. Ray Marshall, in his professional role as an economist, discussed with the building trades presidents the outlook for the economy as he sees it. Marshall expressed concern that a "supply-side" economic strategy will push up the already high level of unemployment.

Another speaker during the three-day meeting was California's Director of Housing & Community Development, I. Donald Terner, who described the state's experimental "equity sharing" program to assist first-time, moderate income homebuyers who otherwise would be unable to afford a home.

The demonstration project allows the state to purchase a "share" of the home, up to 49 percent of its cost, thus reducing the mortgage burden and down payment. When the home is eventually resold, the state claims its share of the proceeds, including any profits from appreciation of value.

THE DEMONSTRATION project, helped by a federal grant as well as state funds, is now limited to families below the median income level who are facing displacement from rental units because of condominium conversions.

Terner told the building trades leaders that he hopes for private-sector funding to expand the program to reach a larger number of "frustrated home buyers."

The BCTD governing body also heard a report on another type of co-venture between government and the private sector.

THE DEPARTMENT gave its endorsement and urged its affiliates to support the Building Arts Museum which Congress has authorized to be established in one of the historic structures of the nation's capital, the former Pension Building.

Georgine is vice president of the board which is planning the project, and Bricklayers President John T. Joyce is one of the directors.

The museum will spotlight the history and development of architecture and building construction.

7.4% Jobless Rate Sends 'Mixed Signals'

The nation's jobless rate remained unchanged in January at 7.4 percent, but there were disturbing trends that stood out against the apparent statistical stability.

For one thing, a sharp 1.2-percentage point increase in teenage unemployment brought the rate for that category to 19 percent for the month. The last time teenage joblessness was that high was in December 1976 near the end of a major recession.

ALSO, JOBLESSNESS among Hispanic workers rose sharply, from 9.8 to 11.1 percent over the month. Unemployment among blacks, however, fell to 12.9 percent from 14 percent in December. And the rate for black teenagers was down one percentage point to 36.5 percent.

In addition, the monthly figures issued by the Bureau of Labor Statistics showed the average duration of unemployment increased by almost a week to 14.4 weeks in January, the highest level in three and a half years, reflecting a substantial increase in those unemployed for six months or more. The median jobless period, which is little affected by movements in long-term unemployment, was about unchanged at 7.4 weeks.

The overall jobless rate has remained in the narrow range of 7.4 to 7.6 percent since last May. The January rate was the second consecutive month at that level. In all, 7,847,000 Americans were out of work last month—62,000 more than in December, but not enough to change the rate.

BLS COMMISSIONER Janet L. Norwood testified at a congressional Joint Economic Committee hearing that the January statistics "provide mixed signals on the economy."

"When adjusted for seasonal movements, both the payroll and the household surveys showed some evidence of strength," she said. "Employment increased and the factory workweek continued to rise."

Total employment, as measured by the household survey, rose 410,000 over the month to 97.7 million. Nonfarm payroll employment, as measured by the government's monthly survey of establishments, increased by 375,000 to 91.5 million. Meanwhile, the size of the labor force swelled by 475,000 to 105.5 million, the first sizable increase since July.

"MOST OF THE over-the-month gain occurred among adult women, whose labor force participation rate was at an all-time high of 51.8 percent," BLS said. Over the year, the labor force advanced by 1.5 million, a slower pace than in recent years, the report said.

Average weekly hours in manufacturing rose sharply to 40.4, the highest level since early 1979, BLS said. This measure has been rising steadily since last summer.

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Correspondence about address corrections should be sent with attached mailing label to: Subscriptions, Room 209, 815 16th Street, N.W., Washington, D.C. 20006.

Council Calls Reagan Plan Unfair, 'High-Risk Gamble'

AFL-CIO News

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Steelworkers Score Gains In Can Pacts

Costa Mesa, Calif.—The Steelworkers approved new three-year contracts with the nation's major can companies that will provide substantial wage and benefit improvements for some 20,000 workers.

Members of the union's Container Industry Conference ratified the settlements three days before the old contracts were to expire. The terms closely track the gains negotiated by the USWA last year in the basic steel, aluminum, and copper industries, the union said.

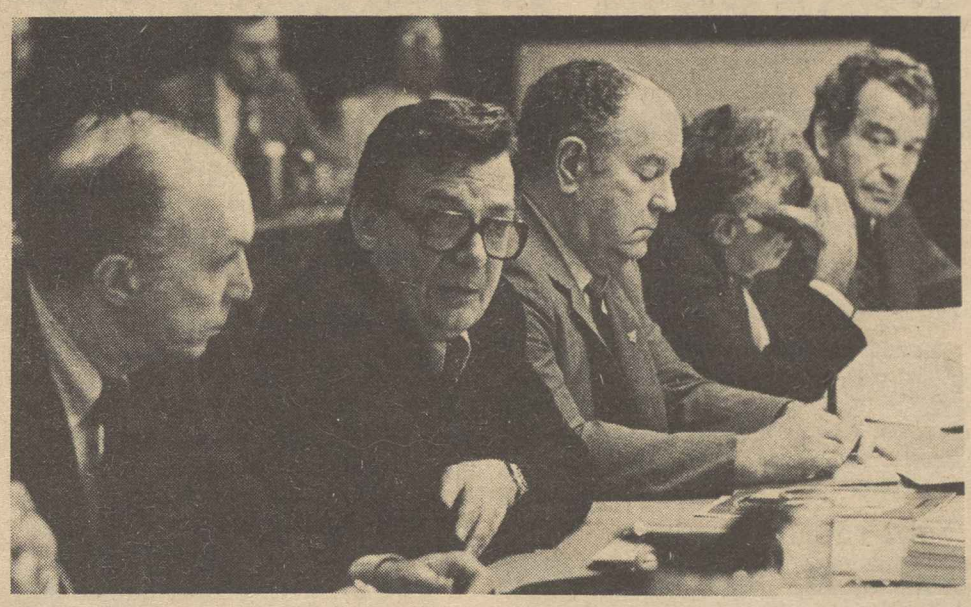
THE AGREEMENT, which is expected to set the pattern for about 20,000 other workers at smaller metal container firms, is with Continental Can Co., American Can Co., National Can Corp., and Crown Cork & Seal Co., Inc. The four companies bargained jointly with the union.

The new contracts provide general wage increases of 25 cents an hour in the first year of the agreement, 20 cents an hour the second year, and 15 cents in the final year. In addition, the increment between wage classifications will increase 2.5 cents over the term of the agreement, for an average wage improvement of 27.5 cents an hour.

The parties agreed to retain the same cost-of-living formula as in the old contracts. The formula automatically triggers a one-cent hourly wage adjustment for every three-tenths of a point increase in the government's consumer price index. The 23-cent hourly adjustment due Feb. 15 on the basis of price rises over the past three months was "rolled in" to workers' base pay.

MONTHLY PENSION benefits will be raised $1 for each year of service in the

(Continued on Page 6)



LABOR'S PROGRAM to combat the nation's nagging unemployment and inflation problems was the central topic at opening sessions of the AFL-CIO Executive Council's winter meeting in Bal Harbour, Fla. Joining Federation President Lane Kirkland in the discussions are Sec.-Treas. Thomas R. Donahue, left, and Vice Presidents Lloyd McBride, Jerry Wurf and Sol C. Chaikin.

Job Creation Measures Key Labor's Alternative

Bal Harbour, Fla.—The AFL-CIO advanced its own comprehensive program to counter unemployment and inflation—the twin economic ills that plague the American economy.

Federation President Lane Kirkland termed the comprehensive Executive Council statement on the national economy "a positive, constructive and affirmative program"—in effect, the trade union movement's alternative to the Reagan Administration's economic proposals.

IT CALLED FOR a social security tax credit—a rebate equal to 20 percent of the employee's share of the payroll tax and 5 percent of the employer contribution. This would be healthier for the national economy and better for America's workers than the Kemp-Roth proposal for an across-the-board tax cut, the Executive Council said.

It urged that business tax reductions be targeted to stimulate investments that will create jobs and help revive recession-battered industries and communities. But tax revenues that are needed to sustain "basic income-support programs for the unemployed, the poor and the elderly" should not be sacrificed to give bigger windfalls to hugely profitable oil companies or to enable conglomerates to "invest" in new corporate takeovers, the council stressed.

The policy statement called for balancing the budget by bringing down unemployment. It urged that inflation be brought down by specific steps to moderate energy price increases, by credit controls and by government measures that would make housing more affordable.

ESPECIALLY, it stressed, inflation should be fought by reducing rather than pushing up the "high interest rates that choke the economy."

The council reiterated labor's call for a reindustrialization program that would reverse the erosion of goods-producing industries and the transportation system necessary to sustain them. It urged the formal joining of government, business and labor in a Reindustrialization Board that would include the mechanism for investing both public and private funds in the most needed areas.

Other ingredients of its prescription for reducing unemployment and rebuilding the economy include:

- Public sector jobs for both adult

(Continued on Page 2)

Support for Aid to Poland Tied to Free Union Rights

Bal Harbour, Fla.—The AFL-CIO is prepared to support an extension of American credits to Poland, but only if such aid is conditioned on the continued survival of that country's new free trade union movement.

"Only then can we be assured that the Polish workers, through their free unions, will be in a position to defend their gains and to struggle for a fair share of the benefits of Western aid," the Executive Council said in a statement here.

POLAND'S DEBT to the West already amounts to more than $20 billion, the largest of any of the East bloc countries. In the past, to insure repayment, the international banking community has pressured the Polish government into policies of austerity, which have been borne by the workers in the form of higher prices and longer work weeks.

"The extension of credits or rescheduling of Poland's debt could intensify the exploitation of Polish workers, and threaten their hard-won gains," the council statement observed.

IT SAID the reason that the Polish economy is on the verge of bankruptcy is mismanagement by the Polish government and the inefficiencies inherent in the Soviet-imposed economic system. Yet, the communist government cites Poland's economic troubles to counter the demands of the Polish free trade union coalition, Solidarity, for a 40-hour week, better wages, and lower prices, the AFL-CIO pointed out.

In a salute to "the brave men and

(Continued on Page 3)

Cites Lack Of Equity in Budget Cuts

By David L. Perlman

Bal Harbour, Fla.—President Reagan's economic program is unfair and unworkable, the AFL-CIO Executive Council said, and labor will join with other concerned Americans to press alternatives that will meet the nation's needs "with true equality of sacrifice."

There is no such equity in the President's proposals to Congress, the Executive Council charged.

REAGAN'S TAX, budget, monetary and regulatory proposals would require "more sacrifice from those who have little," the council said. And those who are already wealthy—both individuals and corporations—would be the only "sure winners" in a hazardous "high-risk gamble with the future of America."

The council stressed labor's agreement with the goals of bringing down inflation, increasing employment, strengthening U.S. industries and making the federal government more efficient.

But it sharply disputed Reagan's proposed remedies and readily accepted his challenge that those who disagree with his program should come up with an alternative.

THE EXECUTIVE COUNCIL did so, in a detailed economic policy statement proposing tax relief to those most squeezed by inflation, business incentives targeted to creating new jobs, and government programs designed to shore up America's industrial base. **(Story, this page.)**

Reagan's program, the council protested, would "substitute unrestrained market power for social responsibility and human concerns."

HIS PROPOSED budget cuts, which the council termed "the centerpiece of his program" include a slash of $17.5 billion from assistance to the jobless and the poor.

"For nearly 50 years, this country has built a network of social programs to improve the lot of the disadvantaged, provide support in times of adversity and

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New Price Burst To Follow Lifting Natural Gas Lid

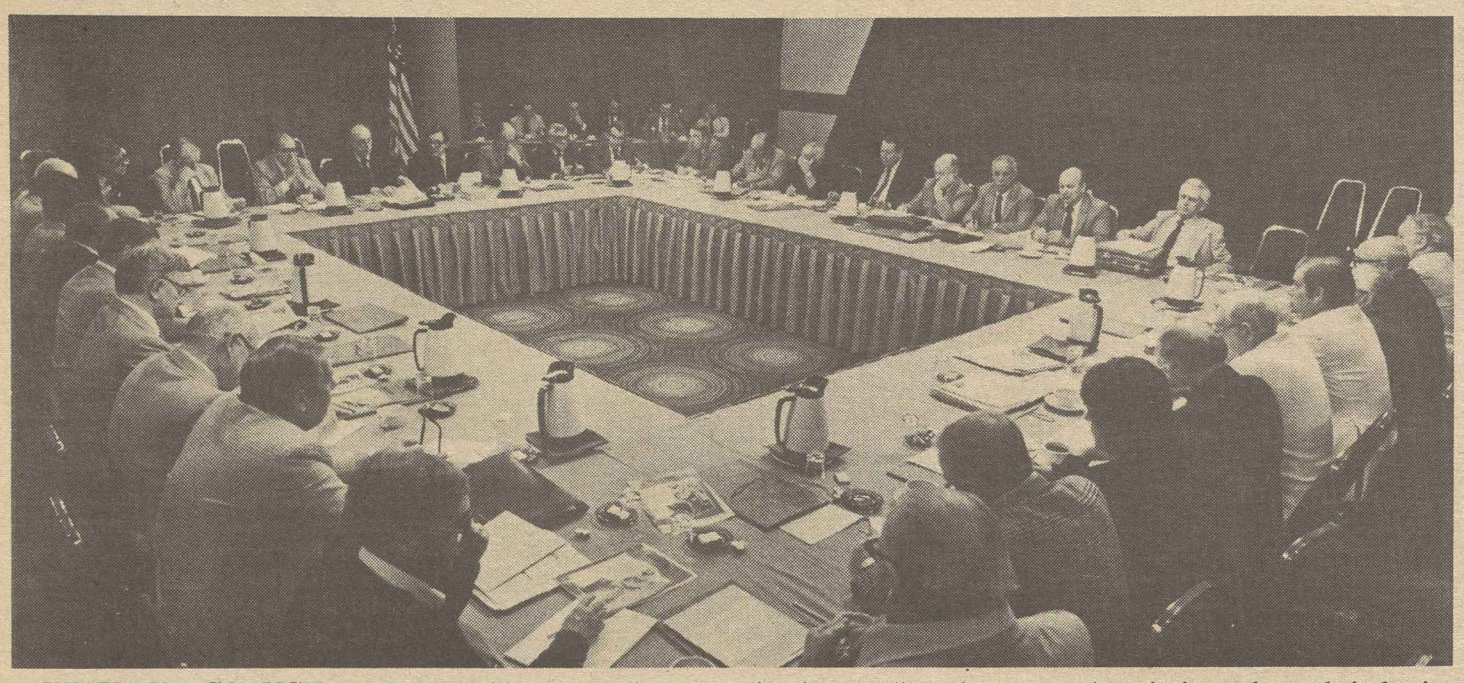
Bal Harbour, Fla.—Decontrol of natural gas prices would fuel a new burst of inflation that would prove even more costly to consumers than President Reagan's decision to end oil price controls, the AFL-CIO Executive Council warned.

Natural gas prices flared up this winter even with price controls limiting the amount of increase. But the council cautioned that the Administration's plan to do away with all controls on natural gas prices by the end of September—more than three years ahead of schedule—would more than double home heating costs.

THE CUMULATIVE effect of premature decontrol of fuel prices amounts to a consumer price rise of $3,500 for every family, the council said.

Decontrol would also inflict "severe hardships" on moderate-income families, the AFL-CIO statement noted. But it would further enlarge the profits of energy companies, which already far exceed the profits of other industries.

(Continued on Page 2)



EXECUTIVE COUNCIL drafted a wide range of statements at its mid-winter meeting, addressing national issues that have a direct impact on America's workers, their families, the poor and the elderly.

Alternative Program Proposed To Revitalize Economy, Spur Jobs

(Continued from Page 1)

workers and youth to provide new job skills and open up employment opportunities.

- A review of existing investment tax credits and other special tax breaks for business to plug the loss of billions of dollars in needed revenues and to channel business incentives into needed areas. Tax benefits of state and local industrial development bonds should be curtailed and integrated into the reindustrialization goals.

OVERALL, the council said, "direct, targeted jobs programs tailored to the specific needs of unemployed workers" are many times more effective in creating jobs than generalized tax cuts.

To restore buying power, the council said, tax benefits should be concentrated on middle-income and low-income wage earners, "those who have suffered the most from high inflation."

The 20-percent rebate on social security tax deductions, the statement noted, "would more than offset the recent increases in social security taxes on workers and have no adverse effect on the financial stability of the social security trust fund." And the employer 5 percent credit would help especially "employers in labor-intensive industries," the council pointed out.

Urging continued income support programs, the statement noted that for those without jobs buying power is dependent on such programs as unemployment assistance, trade adjustment assistance and food stamps.

"THE PROBLEMS of the poor in our society must be solved, not aggravated," the council said.

The anti-inflation recommendations included measures to hold down energy costs ranging from weatherization programs for public buildings and low-income housing to a government agency to purchase and distribute all oil imports.

The council also asked continued controls on natural gas prices and standby oil price controls.

It urged steps to expand the supply of low-income and middle-income housing, including below-market interest rates on mortgages. And it called for discouragement of conversion of rental housing to condominiums in localities where housing is short.

THE COUNCIL also proposed that foreign sales of U.S. grain be handled by a federal board, as is done in Canada. Other proposals included health care reforms to hold down costs as well as improve services.

Kirkland stressed at a news conference that labor's program is not a partisan challenge to the Reagan Administration.

"We wish the new Administration success," he said. "We have a stake in their success as citizens. We want to cooperate to the maximum extent possible."

But the labor movement has a program that it believes "would be effective in turning this economy around and reviving our industrial base," he said.

IT IS IN everybody's interests, Kirkland suggested, that the issues of economic policy be debated fully and that alternatives be presented. Then, "out of that traditional democratic process, we would hope that progress would emerge," he said.

He cited the political fact of life that "fiscal conservatism is dominant" today, in Congress as well as in the Administration. But if cuts are made, he said, there is a difference between "ratcheting everything down a bit, on an equitable basis," and the unacceptable alternative of "killing vital programs."

Gas Decontrol Seen Fueling Price Surge

(Continued from Page 1)

The AFL-CIO statement scoffed at the suggestion that decontrol will spur oil and gas companies to new exploration and production. More likely, "the new profits from decontrol would enable the oil and gas companies to continue buying competitive energy sources."

ALREADY, the council said, oil prices "are no longer based on production costs, but are dictated to the United States by the OPEC cartel." Decontrol of natural gas would amount to allowing OPEC to dictate that price as well, the AFL-CIO charged.

The council resolution said it would be "false economy for the United States to contract abroad for the equipment to develop synthetic fuels when that equipment is available here."

To develop the technology this country needs for the future, the council urged, "the principle of 'Buy American' must be a major part of the synthetic fuels program."

ADOPTION OF the council statement here was followed in Washington by AFL-CIO testimony along the same lines before a House Energy subcommittee. Associate Legislative Director Howard Marlowe warned the panel that if controls on natural gas are allowed to expire next September, the government will be powerless in efforts to halt price gouging and profiteering during shortages.

Marlowe estimated that Reagan's decision to lift controls on oil will cost Americans about $12 billion in 1981.

"Decontrol of oil prices has allowed oil companies to raise gasoline prices 8-10 cents over the last two weeks—considerably more than the 3-5 cents predicted by the Administration," he noted.

Additional increases in wholesale prices have already been announced by some oil companies, Marlowe said, and "there is no reason to expect that prices will not rise even further as a result of decontrol."

DATA FROM various U.S. petroleum firms show that oil can be produced at prices far below the world market level, he noted.

"In a statement in 1979, Mobil said the cost of producing crude oil was $6.87 a barrel, including $1.52 of direct production cost; $4 for exploration, development, lease and royalty costs, and $1.35 for taxes. At that time, U.S. crude sold for an average of $8.33 a barrel. With decontrol, it can now be priced at the world market price of about $39 per barrel," Marlowe reported.

Free Unions, Press Basic To Liberty, Kirkland Says

Bal Harbour, Fla.—The most valid test of a nation's respect for human rights is the presence or absence of free institutions, AFL-CIO President Lane Kirkland said at a news conference here.

Kirkland was asked his opinion of the Reagan Administration's human rights policy.

THAT WON'T be determined by rhetoric, he responded, but "by the extent to which they are prepared to engage in the promotion and support of free institutions within the societies that exist around the world."

There aren't many countries that are fully democratic in the American ideal, he said, and progress is not necessarily achieved by replacing one leader with another "while leaving the fundamental nature of a society unchanged."

The AFL-CIO's approach to advancing human rights is to advance the development of free institutions within societies, Kirkland said, adding: "That's the role that we are trying to play in our international activities." The name of the head of government "doesn't matter," he observed.

Free institutions, Kirkland made clear, include both trade unions and the press.

ALONG THESE lines, he said the AFL-CIO hopes for a stronger response from the new Administration than the Carter Administration made to a "press-control doctrine" being considered by UNESCO, the United Nations Educational, Scientific & Cultural Organization.

If carried out, Kirkland said, it would put the endorsement of an international organization on a press-control doctrine that would eliminate any role for a free press over much of the world.

Kirkland noted that the AFL-CIO had urged the previous Administration to serve a bold notice that the United States would "cease all support" of UNESCO if it adopted such a position.

The labor movement wasn't satisfied with the Carter Administration's response he said, and would welcome such a stand by the current Administration.

Public Sector Unions Post Membership Gains

Public employee union membership continues to grow with nearly half the nation's full-time state and local government employees represented by unions or employee associations in 1979, according to a report released by the U.S. Commerce Dept.

Of some 10.2 million full-time state and local government workers, 4.9 million or 48 percent were members of labor organizations in 1979, an increase of 2 percent over the previous year, the department's Bureau of the Census reported. Workers were covered by a total of 32,528 collective bargaining agreements during the year.

About a third of all full-time state and local workers, are teachers, and some 65 percent of them belong to unions or employee associations.

Congress Pressed to Halt Erosion of Minimum Wage

Bal Harbour, Fla. — The AFL-CIO pressed Congress to stop the erosion of the federal minimum wage and reject any attempt to legislate a subminimum youth wage.

An Executive Council resolution endorsed the concept of indexing the minimum wage by keeping it at a constant percentage of average hourly earnings in manufacturing.

CONGRESS rejected the index concept in its 1977 amendments to the Fair Labor Standards Act. Instead, it opted for four annual step-ups that brought the wage floor to $3.35 an hour in the final step, which took effect at the start of this year.

Despite the series of increases, the council noted, the minimum wage has dropped from 50 percent of hourly earnings in manufacturing in 1967 to 43 percent currently. A wage floor of $3.72 an hour would have been needed last December to maintain purchasing power.

Lowering the minimum wage for youth would be an incentive for employers to replace older workers who have family obligations in order to hire teenagers at lower pay, the council statement charged.

THE AFL-CIO urged job programs for younger workers, but noted that 70 percent of the workers paid the minimum wage are adults, and a large portion of them are women who are the heads of households.

A fact sheet accompanying the resolution challenged the assertion that a subminimum wage would enable employers to "train" younger workers.

"How much training is required to turn a hamburger?" the minimum wage document asked. It noted that the McDonald's chain "is now a larger employer than U.S. Steel."

Employers even now are able to employ students at less than the minimum wage and, under the Targeted Jobs Credit program, can get a large tax credit for hiring economically disadvantaged youths. But older workers should not be "shoved to the end of the line of jobseekers," the council insisted.

The Executive Council statement also urged "adequate funding for aggressive enforcement of wage and hour laws."

Council Scores Reagan Economic Plan

(Continued from Page 1)

strengthen the American economy," the AFL-CIO council stressed. "To destroy or weaken these programs is to weaken America."

Another $24 billion in proposed budget cuts would come from programs needed for economic recovery. If Congress goes along with the President's cuts, the council said, more than one million jobs will be sacrificed. In program terms, the cuts would set back goals for energy security, transportation improvements, environmental safeguards and urban development.

A related council statement firmly rejected the contention that budget limitations compel a choice between social programs and the national defense.

IN THE LAST Congress, the AFL-CIO opposed proposals for a percentage cut in the defense budget and the "transfer" of those funds to social programs.

"With equal vigor," the Executive Council said, it opposes the Reagan Administration view that social programs must be reduced to allow funds for military needs.

The Constitution mandates the government to "provide for the common defense" and to "promote the general welfare," not either-or, the council stressed.

REAGAN'S proposed cuts would come on top of the already heavily trimmed budget proposals made by the Carter Administration shortly before it left office. That Carter budget proposal skimped on the nation's needs, the AFL-CIO charged at the time. But the Reagan budget takes a meat ax to many labor-supported programs.

Food stamp eligibility would be slashed, and low-income families whose children get free school lunches would have to pay for them through a reduced food stamp allotment. Child nutrition programs would be cut nearly $1.7 billion.

A broad range of federal aid to education programs would be reduced. But as Reagan expressed it in his televised message to Congress, less federal money will mean less federal "control" over state and local school systems.

LIKEWISE, a reduction of $85 million in federal assistance to the arts and humanities is explained by Reagan as a reinforcement of the tradition of "voluntary contributions" by Americans to support cultural activities.

Proposed cuts in funds authorized for synthetic fuels programs will cost the economy $4.2 billion in plant construction next year and 69,000 jobs, according to an analysis by the AFL-CIO Dept. of Economic Research. Solar energy programs would also be reduced.

Social security disability payments would be further cut, and other benefit reductions that Congress refused to enact when they had been proposed by the Carter Administration are included in the Reagan budget.

MEDICAID WOULD be reduced, all Public Health Service hospitals would be closed, subsidized housing reduced, and Amtrak funding sharply cut back.

More than 340,000 persons in CETA job and training programs with state and local governments would lose their jobs, and two youth job programs would be ended.

Trade adjustment benefits, which unions have urged be expanded to include workers in supplier industries hurt by imports, would be drastically curtailed.

Severe postal cuts would raise rates sharply while curtailing service and employment. The already battered pay comparability system for federal workers would be further gutted.

THE AFL-CIO Executive Council statement sharply questioned the President's claim that his proposed pullbacks and revisions of government regulations will make American industry more competitive and productive. In attacking measures enacted to protect health, safety, the environment and consumers, "he ignores the contributions these laws have made to a higher quality of life," the council declared.

It agreed with Reagan's description of the current high interest rates as "absurd," but noted that they are largely the result of the tight-money policy Reagan has advocated.

Labor's alternative to a tight-money squeeze is selective credit controls "that would direct capital to productive investments while curbing speculation," the statement said.

THE COUNCIL challenged as misleading the President's statement that the across-the-board tax cut he proposed amounts to "an equal reduction in everyone's tax rates."

A family earning $10,000 a year would get a $52 tax break; the family earning $100,000 would get $1,840. It contrasted this with the AFL-CIO's proposal for a 20-percent tax credit on the social security payroll tax paid by workers.

Fully 60 percent of Reagan's proposed individual tax cut would go to the top 20 percent of taxpayers, the council noted. And more than 11 percent would go to a mere 1 percent of taxpayers.

AT A NEWS conference, AFL-CIO President Lane Kirkland voiced deep concern that Reagan's economic program with its "euphoric promise" that budget slashes and tax cuts combine to spell prosperity—is based on "exceedingly dubious economic theories that have not been adequately tested."

The risk of a grim economic downturn —as occurred in Britain under the similar doctrinaire approach of the Conservative Party government—should give Congress pause, Kirkland suggested.

Few economists give credence to the so-called Laffer Curve that is the theory behind the Kemp-Roth tax cut bill, Kirkland noted. And the monetary advice that economist Milton Friedman has handed out in his role as a consultant to governments in various countries has generally been followed by a new wave of inflation, he said.

AS TO THE social consequences of the Reagan Administration's proposals, Kirkland suggested that its authors have "short memories" and don't remember the grim conditions that led to their enactment, including the despair of the poor, burning inner cities and "long, hot summers."

He said the AFL-CIO has already initiated a revival of the budget coalition that was formed last year by labor, church, civil rights, senior citizen and community groups with a common concern for defending needed social programs.

Support for Aid to Poland Tied to Free Union Rights

(Continued from Page 1)

women of Solidarity," the council pledged full support of their cause in whatever ways they deem useful. Already, it noted, more than $200,000 has been raised by the AFL-CIO since the federation's General Board established a Polish Workers Aid Fund last September. This money is being used, in accordance with Solidarity's wishes, to buy much needed office equipment and supplies.

"This fund, built from contributions from every level of our trade union movement, demonstrates the strong solidarity of American workers with the struggle of their Polish brothers and sisters," the council said.

At a news conference, AFL-CIO President Lane Kirkland strongly rejected a suggestion that American labor's assistance to the Polish free trade union movement could be interpreted as "provocative." The AFL-CIO does not consider it provocative "to assist a brother union in its formative stages to exercise the rights of free association guaranteed by solemn international conventions," he said.

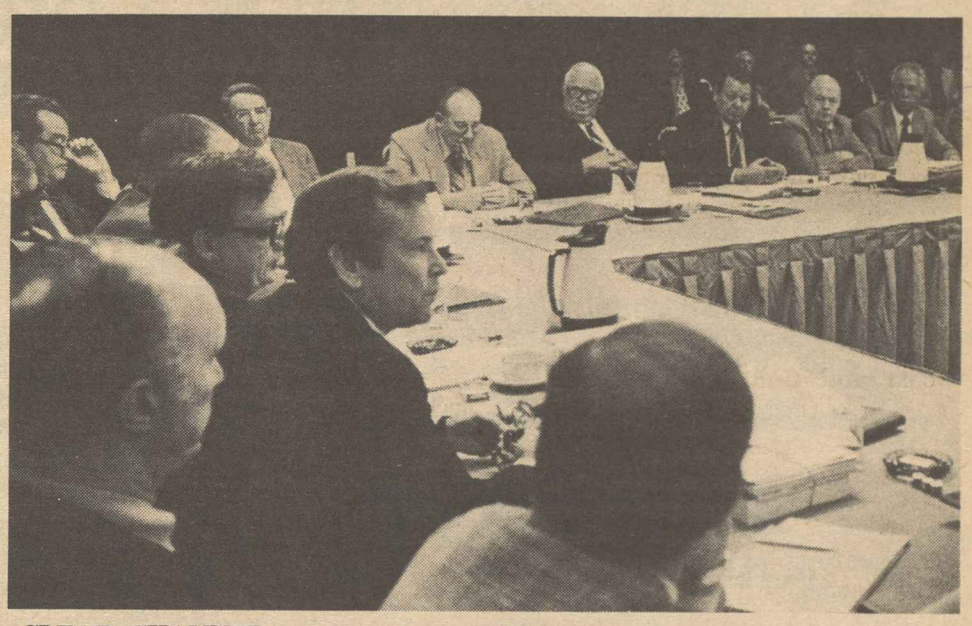
AND SINCE the Polish government has borrowed large sums from the West, Kirkland observed, "it seems passing strange that grants of assistance from Western trade unions—exceedingly modest in amount for very basic needs and supplies —should be condemned while living off of the largess or the loans of Western capitalists is perfectly okay."

The council statement pointed out that despite its pledges, the Polish government continues to obstruct Solidarity's growth. It still has not lived up to its side of the 21-point agreement with the union coalition signed last August in Gdansk. Media censorship has not been eliminated; Solidarity has been denied means to publish a weekly magazine; provincial chapters of Solidarity have been harassed by authorities; the government has refused to publish trade union legislation, and members of KOR—the Social Self-Defense Committee allied with Solidarity—are being persecuted.

"These actions can only fuel worker unrest," the council said. "The Polish Communist Party appears intent either on provoking a confrontation or on undermining Solidarity's position."

ADDING TO the tension, the Soviet Union and its Warsaw Pact allies have conducted a relentless campaign of intimidation aimed at frightening the Polish workers, the AFL-CIO charged. It noted that some 20 Soviet divisions have massed along the Polish border while the Soviet propaganda apparatus fires verbal threats, attacks on Solidarity's leadership, and denunciations of "subversive, anti-socialist forces" in the Polish unions.

As for the "massive and slanderous propaganda attack" that the USSR and its satellites have launched in recent months against the AFL-CIO because of its assistance to the Polish workers, the council declared: "We will be no more intimidated by these predictable tactics than the Polish workers have been."



CLEAR CHANNELS of communication should be open between the leadership of the Senate and organized labor, Senate Majority Leader Howard H. Baker (R-Tenn.) told the AFL-CIO Executive Council. Baker became majority leader in January, when Republicans took control of the Senate.

Two More Unions Join TV Monitoring Project

Bal Harbour, Fla.—Members of the Operating Engineers and the Bakery, Confectionery & Tobacco Workers will join the Machinists in monitoring television news and entertainment shows in April on their portrayal of workers and unions.

Operating Engineers President J. C. Turner and BCT President John DeConcini announced at a joint news conference here that their members would participate in the Union Television Monitoring Project originated by the Machinists in 1980. Participants in the project systematically monitor national network news and entertainment programs and local news broadcasts to determine whether workers and their organizations are dealt with fairly.

Operating Engineers in San Francisco and Cleveland and BCT members in Richmond, Va., will join in the latest round of monitoring. The Machinists' 1980 project found that workers were rarely represented in TV programming, that newscasts were frequently biased against unions and that job categories in most TV shows are out of proportion to reality.

Republican Officials Promise Attention to Labor's Views

Bal Harbour, Fla.—Labor's views will be listened to in the Reagan Administration and in the Republican-controlled Senate, two guests at the AFL-CIO Executive Council meeting promised.

Bill Brock, who holds the Cabinet-level post of U.S. special trade representative, told reporters that he will need the help of the nation's union leaders in dealing with complex trade negotiations and issues because "they know the problems."

AND SENATE Majority Leader Howard Baker (R-Tenn.) said he came to the Executive Council meeting "to explore future areas of cooperation and make sure that this group understands we wish to have a clear channel of communication."

Baker termed his meeting with the council "very positive" and said he saw a chance for labor and Senate Republicans to "narrow our differences" over labor law reform. It was a Republican filibuster that blocked passage of labor law reform in 1978.

AFL-CIO President Lane Kirkland said Baker personally has always given "thoughtful consideration" to labor's views.

"I don't automatically reject the notion of progress in the next couple of years," Kirkland commented. "I think there may be areas where we can reach some understanding, some agreement. And we're certainly open-minded and prepared to explore those possible areas to the fullest extent."

HE NOTED that there are no ideological or partisan lineups on a number of issues important to the nation.

On trade, Kirkland said the council's meeting with Brock was basically "an exploratory session." But on at least one issue, "I think we were in full agreement, at least on the nature of the problem."

Kirkland said Brock and the AFL-CIO are in accord on the potential for a large-scale export trade in U.S. coal.

The need, Kirkland stressed, is to remove "the barriers and impediments" which include "wholly inadequate" port and rail facilities, and "an adequate role for the American merchant marine in the transport of that cargo."

The Sagging Wage Floor

CONTINUED INFLATION has wiped out the purchasing power provided minimum wage workers by the 1977 amendments to the Fair Labor Standards Act.

The current minimum wage of $3.35 an hour, which went into effect on Jan. 1, 1981, as the fourth and final step of the 1977 increases, was outdated by inflation before it reached the workers' paychecks. A minimum wage of $3.72 an hour would have been required in December 1980 in order to yield the same purchasing power as the $1.40 an hour minimum wage had in 1967.

Today's minimum wage is continuing to fall in purchasing power and threatens its five million recipients with becoming more dependent upon supplemental government support, such as food stamps and welfare assistance. The historic role of the federal minimum wage has been to set a floor under the level of wages an employer must pay so that he is not subsidized by tax-supported federal aid and community programs.

IF CONGRESS had accepted the 1977 proposals to index the minimum wage to average hourly earnings in manufacturing, minimum wage workers would be keeping pace with all other workers. The 1967 minimum wage of $1.40 an hour equaled 50 percent of gross average hourly earnings in manufacturing; the $3.35 minimum wage only equals about 43 percent of that standard.

The erosion of the buying power of the minimum wage makes a strong case for indexing it for the future.

A two-tier minimum wage or a subminimum wage for youth would encourage employers to fire older minimum wage workers with family obligations in order to hire younger workers at less pay. Minimum wage workers desperately need increased buying power to support themselves and their families, not a revolving door to the unemployment line.

While the teenage unemployment rate is disastrously high and demands effective programs to provide jobs for younger workers, we adamantly reject the contention that those jobs must come at the expense of older workers. Four of every five unemployed workers are not teenagers, yet older workers would be shoved to the end of the line of jobseekers so that employers could pay a lower wage to teenagers.

SEVENTY PERCENT of the workers who are paid the minimum wage are adults, and two-thirds of them are women, many of whom are heads of households. Clearly, their jobs would be jeopardized by a subminimum wage for teenagers.

The creation of age discrimination within the minimum wage structure could lead to further erosion of the wage floor based on race or sex with the specious justification that their higher unemployment rates require discriminatory wages. The federal government must not promote wage discrimination on any grounds, for any purpose.

—From a statement by AFL-CIO Executive Council on the Fair Labor Standards Act adopted Feb. 16, 1981, in Bal Harbour, Fla.

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THOMAS R. DONAHUE, *Secretary-Treasurer*

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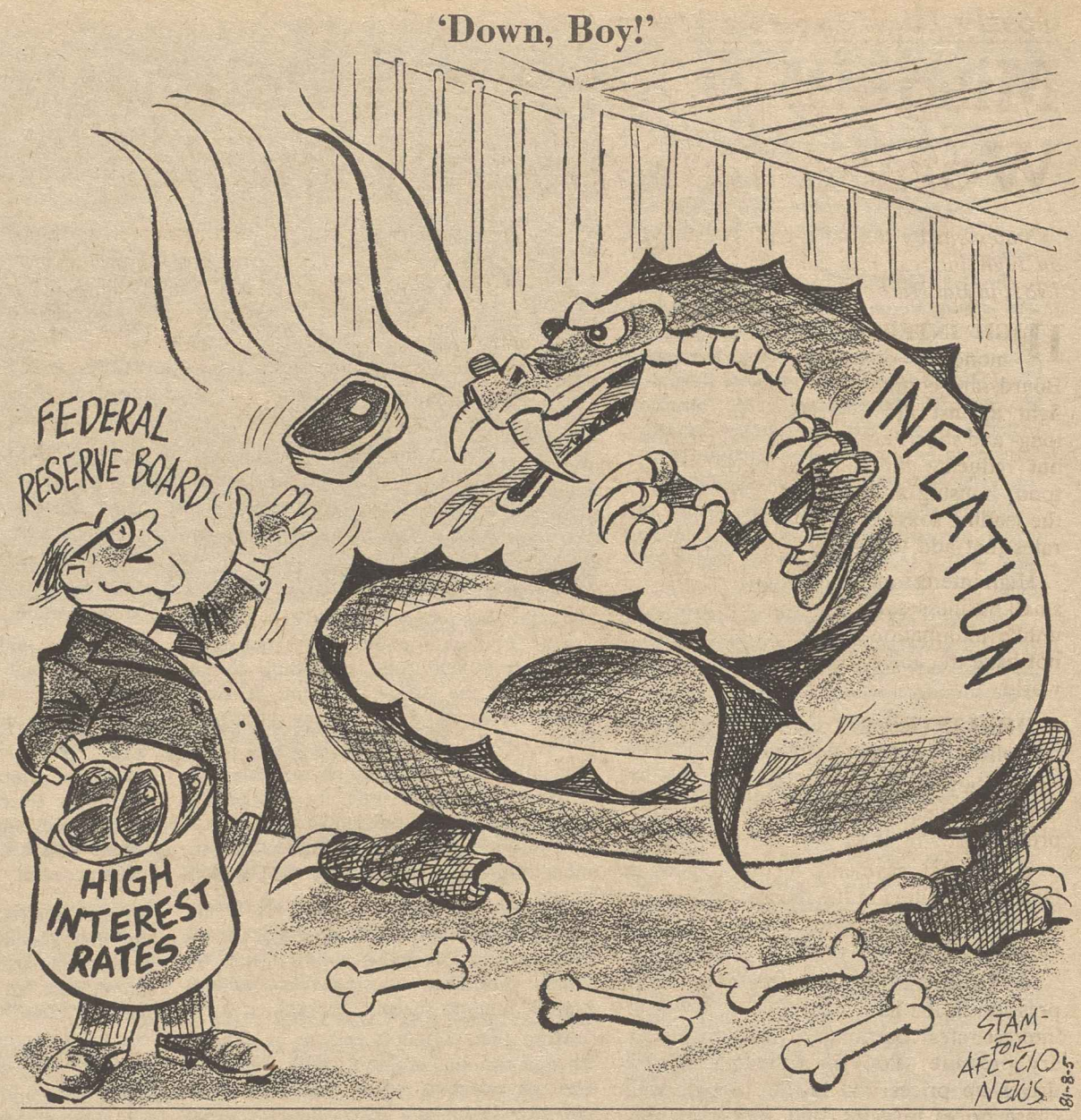
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'Down, Boy!'



Billions Spent Annually

Corporations Stick Consumers With Costs of Take-Over Wars

By Gus Tyler

McDERMOTT INC. wanted to take over Pullman Inc. The latter fought back and finally won, making an amicable deal with Wheelabrator-Frye Inc.

That sort of thing has, of course, been going on with many companies in this age of the conglomerate grab. But now, it seems, a vast expensive dimension has been added to the corporate combat: the fees for professionals.

In the one small instance noted above, the cost for lawyers, accountants, investment bankers and public relations experts came to more than $17 million. That bill was run up in a brief four months.

THE COMMENT of the chairman of Wheelabrator was simple: "That's obscene."

Actually, it's worse than "obscene," if we think about it. "Obscenity" is a moral notion that—repulsive as it may be—costs nothing as a rule. But this "obscenity" is very costly—not to the three great corporations who were the gory gladiators in the event, but to you and me.

First of all, these millions of dollars are pure waste. They produce nothing. They are the costs of a war—a war among corporate giants. They are no more productive than the weapons and ammunition in any war.

Second, you and I will ultimately have to pay for this waste. As far as the corporations are concerned, the costs of this combat are part of operating expenses. They add to the cost of production of whatever commodity or whatever service these outfits put on the market. As costs go up, so do prices for the consumers. So you and I ultimately subsidize this totally nonproductive struggle.

OBVIOUSLY, such an expensive expenditure must be inflationary. It adds to costs without producing anything that any consumer wants.

Third, this bit of extravagance once more makes it clear that when businessmen have oodles of capital on hand, they do not necessarily use that wealth to "invest" in production—to increase supply and to create jobs. As likely as not, they will use their riches to engage in wars to extend their empires without allocating even a penny to putting up a new facility, turning out another item, or employing another soul.

The $17 million spent on professionals, on mercenaries to do combat in the corporate conflict, is but a tiny piece of the total sum involved in this useless undertaking. The company was bought for the sum of $646 million.

What great good thing did this $646 million bring to you and me?

FROM THE CORPORATE view, somebody is happy: the Wheelabrator people must be happy with their extended empire; the Pullman people must be happy because the price was right. But from the view of the people—the worker looking for a job or the consumer looking for lower prices—the takeover brought more tears than cheer.

The case of Pullman is not unique. We mention it because it got front page treatment in the Wall Street Journal. Pullman is just one of many, suggesting that billions are spent every year in hiring armies of mercenaries for corporate empire building—all of it at our expense.

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Polish Workers Saluted, Supported

The historic achievement of the Polish workers in creating and sustaining the first free and independent trade union movement in the communist world has excited the deep admiration of free trade unionists everywhere.

Since its birth in the strike of last August, Solidarity's membership has rapidly grown to ten million—three times the membership of the Polish Communist Party. With the collapse of the old official "unions," abandoned by the workers, Solidarity now incontestably represents the workers of Poland. This triumph is a tribute to the courage, skill and discipline of Lech Walesa and the Solidarity leadership, and the valiant working people of Poland.

The AFL-CIO salutes the brave men and women of Solidarity, and pledges full support of their cause in whatever ways they deem useful.

—AFL-CIO Executive Council Feb. 17, 1981.

Costly High Interest Rates

Misguided Monetary Policies Worsen Inflationary Burden

Statement by the AFL-CIO Executive Council on high interest rate policies adopted Feb. 16, 1981, in Bal Harbour, Fla.

HIGH INTEREST rates, resulting from the monetary policies of the Federal Reserve Board, are counterproductive as weapons in the fight against inflation. They are inflicting both long- and short-term damage to the economy without reducing the inflationary forces of energy, food, housing and medical care. Rather, one of the leading sources of inflation is the high interest rates that add to the cost of everything.

High interest rates cause particular hardship for small businesses, homebuyers and consumers who, unlike multinational corporations and banks, do not have the ability to shop for credit around the world.

HIGH INTEREST rates and tight money cause the following economic damage:

- They increase unemployment, reduce government revenue and increase the cost of social programs.
- Interest payments on the federal debt, the fastest rising item in the federal budget, contribute to the deficit and divert funds needed for other vital programs.
- Exorbitant interest rates have created a depression in the housing industry. In housing, high interest rates contribute a triple-dose of inflationary pressure: through a housing shortage that drives up prices and rents; through higher purchase prices reflecting the added cost of interest on the construction loans, and through higher monthly payments and rents for the life of the mortgage.
- Needed investment in modernization of American industry is short-changed as businesses are confronted by 19 percent prime interest rates. Productivity improvements are postponed, perpetuating higher unit costs and impairing the ability of American industry to compete. Particularly hard hit have been the steel, automobile and related industries.
- High interest rates contribute to higher food prices and the sharp increase in farm bankruptcies.
- Tight money encourages capital investment in high-yield but high-risk ventures unrelated to the needs of the economy, including: financing company takeovers; apartment conversions to condominiums which yield capital gains rather than new housing; financing of gambling casinos and luxury resorts, and speculation in commodities, such as the attempt by the Hunt brothers to corner the silver market.

AS AN ANTI-INFLATION policy, high interest rates and tight money can neither reduce the inflationary impetus resulting from worldwide food demands brought on by drought and increased population, nor reduce the energy prices dictated by the OPEC cartel.

The Federal Reserve's policies are wasting America's capital and human resources, prolonging the recession and aggravating inflation. These policies must be changed and the financial structure of the United States adapted to overcome impediments to stable economic growth. In a democratic society, credit policy must not be the exclusive domain of the central bank and its banking constituency.

Credit management measures must be used to allocate available capital resources. Japan, France, West Germany and Holland have made effective use of credit management techniques to achieve better economic growth. The U.S. experience is limited to the spring of 1980 when, for the first time, the Credit Control Act of 1969 was invoked.

While there were unfair retroactive changes of outstanding credit arrangements and preemption of some state consumer credit safeguards, the restrictions on total bank credit extensions helped bring the prime rate down from 20 to 11 percent in four months.

UNFORTUNATELY, as the economy began its temporary recovery, the credit management measures were rescinded and there was a return to the overall tight money policy.

It is imperative that the United States turn away from the disastrous reliance on tight money and high interest rates. Specifically, the AFL-CIO urges the following immediate actions:

1. Channel credit to high-priority areas.
2. Curtail the use of credit by speculators.
3. Limit the extension of credit for overseas ventures.
4. Make the Federal Reserve Board more representative of American society.
5. Encourage use of pension funds for home mortgage loans.

Achieving these goals will require:

- Making the Credit Control Act of 1969 permanent in order to channel available credit to high-priority areas and to discourage excessive speculation. The Act should be amended to prevent lender abuses in consumer credit and to require the Federal Reserve Board to promptly report to Congress on its credit control activities.
- Giving the President authority to restrict U.S. capital investment abroad and curb the extension of credit to foreign ventures whenever it is deemed necessary to increase investment in domestic plant and equipment.
- Amending the Federal Reserve Act to enlarge the Board of Governors to 11 members and broaden its representation to include industry, labor, agriculture and consumers. The Federal Reserve Board should then assume the duties of the Open Market Committee.
- Encouraging the investment of pension funds in long-term, fixed payment mortgages, with appropriate insurance against loss, in order to help more families purchase housing.

20-Year Outlook

Safety Role of Pilots Essential In Coming Surge of Air Traffic

MAINTAINING air safety in future decades hinges on effective input from the nation's professional pilots, President John J. O'Donnell of the Air Line Pilots declared on Labor News Conference.

Pointing out that air traffic volume is expected to double in the next 20 years, O'Donnell urged that new models of aircraft for commercial passenger and freight service undergo more comprehensive, realistic and objective evaluation than the current "backroom" certification process conducted by the Federal Aviation Administration and the manufacturers.

He said that "full-mission simulations," a procedure urged by the union but rejected by the FAA, are the only sure way to determine how many qualified pilots are needed in the cockpit crews of the larger and more sophisticated aircraft that will be flying in a more crowded air space.

Safety is a top priority for the pilots who will be flying those aircraft, and they should be part of the process that determines how the planes can be most safely operated, O'Donnell declared.

HE SAID the union's national campaign to alert both pilots and the public to the issues involved in air safety, dubbed "Operation USA," is now well under way in 16 major U.S. cities. He said the union's goal is to persuade the Reagan Administration to "create a commission to do fair and effective evaluation" of the crew-size issue.

Transportation Sec. Drew Lewis has since assured the ALPA executive board that the Administration will appoint a three-member panel of impartial experts within the next two weeks to investigate the crew-size issue.

"Let professional pilots make our points to a fair and objective body and we will live with the results," O'Donnell asserted.



By Press Associates, Inc.

IN A NATION blessed with abundant resources and highly productive farms and factories, perhaps nowhere is the sad fact of poverty in the midst of plenty more starkly illustrated than in rural America. Some facts:

- The rural areas, with nearly a third of the nation's population, account for almost half of the officially recognized poor; about two-thirds of the population receive inadequate medical services, and about half are poorly housed. As many as 10 million rural Americans live in homes with no indoor plumbing.
- Rural black workers earn only half as much as the national average for all workers.
- About half of the rural Hispanic families headed by women live in poverty.
- About 60 percent of all Native American families on reservations live in substandard or overcrowded housing.

Numbers, however, tell only part of the story about being poor or powerless in a rural America still nostalgically romanticized as a place of rustic charm or looked upon as a recreational playground void of real inhabitants.

BUT IF YOU WORK for the Zenith Corp. in Watsontown, Pa., being powerless means watching helplessly as the plant is closed and your job is moved to Taiwan. In Kodak, Ky., it means seeing your home bulldozed away to get the coal beneath the surface. In Madera, Calif., if you're a farmworker, it means living with the daily fear that your family may be poisoned by the careless use of pesticides.

Problems such as these have resulted largely from public policies designed to support narrow economic interests engaged in the exploitation of rural resources and people. Tax laws, government subsidies, research and so-called development programs have been tailored to these corporate interests.

ON THE OTHER SIDE of the coin, public policy has been one of systematic neglect of the needs of rural people despite their disproportionate share of social and economic problems. Public investment in housing, health care, education, transportation, job-creation and job training programs has been minimal. For example, since the 1930s, less than 20 percent of the nation's major housing support funds went to rural areas.

In another instance, one of President Carter's first acts after taking office in 1977 was to launch an emergency program to pump $4 billion into municipal public works. But the Administration casually excluded from eligibility all towns with populations under 50,000.

It was this state of affairs which brought to Washington more than a thousand persons from throughout the nation for the fifth national conference sponsored by Rural America, which has been laboring since 1975 to organize communities and to give rural issues a national focus.

DURING THE three-day conference in early February, delgates from over a hundred rural organizations and coalitions met in workshops on a wide range of issues—production and marketing co-ops, community control through land trusts, community development block grants, federal programs for economic development, the use of rural dumping grounds for hazardous wastes—to name a few.

To increase their level of organization and political influence, the delegates launched a National Alliance for Rural Action (NARA), which will strive to become "a visible national movement" beginning at the level of grass roots coalitions. NARA leaders said plans include setting up an independent political action committee in addition to seeking alliances with progressive forces in urban areas. These would include labor, minorities and women.

The recognition at the Rural America conference that stronger bonds must be forged with natural allies is part of a welcome trend among progressive interests, including organized labor, environmentalists, consumers and minorities.



A FULL ROLE in commercial airline safety must be played by the professionals who fly the aircraft, President John J. O'Donnell of the Air Line Pilots said on Labor News Conference. He was questioned by Martha Hamilton of the Washington Post and Drew Von Bergen, right, of the United Press International. The program is aired weekly on Mutual radio.



UNION LABEL AND SHOP CARD promotion at the AFL-CIO Union Industries Show scheduled for Baltimore in May was on the agenda of the AFL-CIO Union Label Dept.'s board meeting in Florida. Seated at the head of the table are Department President John E. Mara and Sec.-Treas. Earl D. McDavid.

U.S. Urged to Condition Aid To El Salvador on Reforms

Bal Harbour, Fla.—Any future U.S. assistance to strife-ridden El Salvador should be conditioned on reciprocal action by that country's government to bring domestic violence under control and institute democratic reforms that improve the conditions of workers, the AFL-CIO Executive Council said.

"The years of oppression that have helped create a revolutionary situation in El Salvador will not be corrected by more repression or continued failures to improve living and working conditions," the Executive Council observed in a statement at its winter meeting.

IT CALLED for immediate consultation and dialogue between the government of El Salvador and private democratic organizations, including free rural and urban trade unions, on plans to guarantee free elections monitored by the Organization of American States as soon as possible.

The AFL-CIO renewed its support of democratic land reform to improve the lives of hundreds of thousands of Salvadoran campesinos, a cause for which two representatives of the American Institute for Free Labor Development gave their lives last month. The two, Michael Hammer and Mark Pearlman, were assassinated with the president of the country's largest democratic framers' organization, Jose Rodolfo Viera, by unknown gunmen.

"Bullets cannot kill the dreams they shared with the farmers of El Salvador for their own land," the council said. "More than six weeks have passed since the assassinations. As yet, the government of El Salvador has not brought to justice those who are responsible for the murders.

"THIS INACTION only encourages the senseless violence of both communist and reactionary terrorist groups, which has resulted in the wanton slaying of many other innocent victims."

The land reform program has the full support of the democratic urban and agrarian trade union organizations in El Salvador, and is a major step toward satisfying the aspirations and needs of the peasants, the council observed.

It noted also that the country's interim government has begun the titling process giving land to individual peasants and peasant cooperatives, with compensation to the old owners, thus making the long-overdue land reform a reality.

EXPRESSING condolences to the families of "our slain brothers" who died for the land-reform project, the council said the labor movement has a special obligation to Hammer's family and noted that the AIFLD has established a scholarship fund to assure the education of his 17-year-old son, Michael, Jr. It invited AFL-CIO affiiliates and others to contribute to the fund.

Council Supports Efforts of Cuban Freedom Group

Bal Harbour, Fla.—The objectives of Cuba Independent and Democratic (CID) were endorsed by the AFL-CIO Executive Council at its winter meeting here.

CID was founded at a congress held in October 1980 in Caracas, Venezuela, with the aim of working for establishment in Cuba of "a society consecrated to freedom and human dignity, totally democratic and sovereign, socially balanced and just," the council noted.

It cited particularly the CID's founding principles calling for guarantees of a free trade union movement in Cuba.

Huber Matos, who was held prisoner in Cuba for 20 years for his opposition to increasing communist domination of the Castro regime, is general secretary of CID. Matos addressed the delegates to the 1979 AFL-CIO convention some three weeks after his release from Cuban jails.

"The AFL-CIO endorses the objectives of CID," the council's statement said, "and wishes it well in its efforts to free the Cuban people from the Castro tyranny." Castro has permitted Cuba to serve as a base for the Soviet Union in Latin America, the council said, and has sent troops to Africa to aid other Soviet-supported regimes while attempting to thwart democratic governments elsewhere in the Caribbean and Latin America.

Steelworkers Win Container Pacts

(Continued from Page 1)

first and second years of the agreement and by $2 in the third year. The monthly supplement for early and disability retirees was raised from $300 to $360.

Increases for workers who are already retired range from 8 to 70 percent of their pensions. Those who retired before 1964 will receive a boost of 70 percent, or an additional $140 to $145 a month. The industry has an unusually high ratio of retired workers to active employees.

Other improvements include increases in the weekly sickness and accident insurance in three annual steps by amounts ranging from $59 to $71 a week, expanded health insurance benefits as well as a score of other changes in contract language dealing with such matters as safety and health, grievance procedure, arbitration, and benefits to spouses and survivors.

The union succeeded in establishing a program for "Justice and Dignity on the Job," which prohibits a company from removing an employee from active work pending the final resolution of any grievance challenging his or her discharge or suspension. Such a worker will remain on the payroll until the grievance is settled or decided in arbitration.

U.S. Relief Asked For Refugees of Somali Conflict

Bal Harbour, Fla.—The U.S. government should step up its emergency relief assistance to some 1.5 million refugees from war and drought in the African nation of Somalia, the AFL-CIO Executive Council urged.

The federation will help publicize the need for aid, particularly vaccines and medical supplies, and will ask its affiliates to give financial assistance to private organizations working on Somali relief, the council pledged.

The council applauded the efforts of the Teachers and the Graphic Arts International Union to focus attention on the need for medical care and supplies, food, clothing and shelter for the refugees.

United Nations estimates are that more than 90 percent of the refugees in Somalia are women or children under 15, the council pointed out. The more than 300,000 children under six suffer the highest mortality rate, primarily from measles and diarrhea.

Despite its limited resources, the government of Somalia has allocated some assistance to the refugees, the council noted, but because the country is a net importer of food, the provision of any food to the refugees creates shortages among the rest of Somalia's population.

Trickle-Down Scheme Cited In 'Urban Enterprise Zones'

Bal Harbour, Fla.—The "urban jobs and enterprise zone" proposal is little more than a localized version of "trickle-down" economics and would not correct problems of decay and high unemployment in the cities, the AFL-CIO Executive Council declared.

The measure, introduced in the last Congress by Rep. Jack Kemp (R-N.Y.), "is based exclusively on the simplistic but false notion that local economic problems will disappear if government would spend less, tax less, and protect less," the council statement said.

THE PROPOSAL is really a tax package, the council observed. It would cut local real estate taxes, regardless of the tax base or public service needs. Social security contributions would be reduced, the capital gains loophole widened, business depreciation write-offs speeded up, and corporate tax rates slashed.

"There is no requirement that the business recipients of such special tax largess add to their workforce or increase investment levels," the statement pointed out. "And there is no provision to compensate localities for lost property tax revenue. Existing firms in zone areas may well reap a windfall for what they were already doing. Landlords are not required to pass property tax reductions on to tenants.

"Because the plan lacks a mechanism to deny benefits to firms that move from other areas into 'enterprise zones' merely to exploit the tax breaks, the result could be shifting unemployment from one area to another rather than a net increase in jobs."

A KEY PROVISION in the measure would permit a 90-percent reduction in employer and employee social security taxes for workers in the "zone" under the age of 21 and a 50 percent reduction for all other workers. This would endanger the social insurance principles of the social security system and undercut its financing, the council warned.

"It would constitute a clear inducement for employers to fire parents to hire their children and add another form of discrimination based on age," it added.

THE AFL-CIO has supported selectively targeted policies for particular areas, industries, and people—including tax concessions, the council noted.

"But we are convinced that any tax reductions must take place within the framework of a coordinated national economic revitalization program involving all sectors of the economy and using the government's full range of economic tools—training, public facilities, and direct loans or grants," it said.

Tight Money Seen Fanning Inflation Fire

Bal Harbour, Fla.—The high interest rates imposed by the tight-money policies of the Federal Reserve Board are "counter-productive" in the battle against inflation, the AFL-CIO declared.

Interest rates "add to the cost of everything," the Executive Council noted. But the high rates "cause particular hardship for small businesses, homebuyers and consumers who, unlike multinational corporations and banks, do not have the ability to shop for credit around the world."

HIGH INTEREST rates and tight money leave the real causes of current inflation virtually unscathed, the AFL-CIO said. But they do "increase unemployment, reduce government revenue and increase the cost of social programs."

Further, "exorbitant interest rates have created a depression in the housing industry, made needed investment in modernization of American industry too costly and sent capital scurrying to high-risk, high-profit speculative ventures," the council pointed out.

On top of that, the statement noted, interest payments on the federal debt have been "the fastest rising items in the federal budget," adding to deficits.

"As an anti-inflation policy, high interest rates and tight money can neither reduce the inflationary impetus resulting from worldwide food demands brought on by drought and increased population nor reduce the energy prices dictated by the OPEC cartel," the council observed.

CALLING FOR a turnabout in policy, the AFL-CIO statement urged:

- Strengthening and making permanent the Credit Control Act "in order to channel available credit to high-priority areas and to discourage excessive speculation."
- Giving the President authority to restrict U.S. capital investment abroad and curb extension of credit to foreign ventures whenever it is deemed necessary to increase investment in domestic plant and equipment.
- Amending the Federal Reserve Act to enlarge the Board of Governors to include representatives from industry, labor, agriculture and consumers.
- Encouraging investment of pension funds in long-term, fixed payment mortgages to help more families purchase housing.

Imports Batter Economy

New Trade Policy Urged To Stem Industrial Skid

Bal Harbour, Fla.—U.S. foreign trade and investment policies must put greater stress on American interests because the worsening impact of imports is compounding the nation's domestic economic problems, the Executive Council declared.

The council called for a series of remedies, including immediate import relief for the U.S. auto industry and parts suppliers, renegotiation of improved marketing agreements on textiles and apparel, extension of import restraints on shoes and steel, promotion of U.S. exports and wider use of American-flag shipping, as well as improved adjustment assistance for workers who lose their jobs to imports.

WHILE AMERICAN exports confront new barriers abroad, an increase in imports is encouraged by easy access to U.S. markets, the council's statement observed.

"This is leading to heightened awareness of the major role international trade is playing in the continued erosion of America's industrial base," the council said.

"The United States must remain a major maritime, agricultural and manufacturing nation, and it needs a foreign trade policy that will insure—not undercut—that goal."

AFL-CIO President Lane Kirkland warned at a press conference that the United States—taking into account the state of its economy—could not absorb the collapse of one or two major corporations in its basic industrial base.

"THE BIG American market depends in the last analysis on employment and on jobs and on incomes," Kirkland asserted. "If those jobs collapse and those sources of employment collapse, the market's going to collapse," he said in warning that the impact will be felt worldwide.

"The consequencies and the shock waves will not be confined to the shores of the United States," he said. "It will wash over to Japan, as it did during the Thirties, and there will not be any market for Japanese products, or German products, or Swiss products, or anybody's products."

The council adopted its statement on foreign trade and investment after conferring with President Reagan's special trade representative, Bill Brock.

BROCK TOLD reporters that "it would be difficult to support legislated quotas" on imports, but suggested that relief for struggling American industries might be achieved through the negotiation of marketing agreements.

The council statement noted that the most severe impact from imports is being felt by America's basic industries—autos and auto parts, steel, textiles, shoes, electronics and new-technology products.

It also cited developing problems for U.S. industries, such as banking, transportation, insurance, communications and engineering that seek to expand abroad, but are often stymied by foreign laws and practices.

"ON THE OTHER hand," the statement observed, "the relatively open U.S. investment market encourages foreign investors in real estate, building and construction, banking and retail stores to expand here."

The council called for swift passage of the Danforth-Bentsen bill in the Senate that would impose a three-year quota on Japanese auto imports and urged that relief be extended to auto parts manufacturers.

In another area, the statement called for repeal of the Generalized System of Preferences under which zero-tariff status is given to hundreds of products imported from so-called developing countries.

"At a bare minimum," the council said, "Congress and the Administration should remove import-sensitive products from the list, guarantee that only the neediest countries receive benefits, and exclude communist countries."

ADDRESSING the growing problem of import-caused job losses, the council called for improvements in trade adjustment assistance to insure that all affected workers receive prompt aid.

"Legislation should ease the overly stringent requirements for proving injury and provide relief for those who make parts or components or provide services. Benefits should not be contingent on exhaustion of unemployment benefits, and training and relocation support should be expanded."

Blaylock Elected To Head Public Employee Dept.

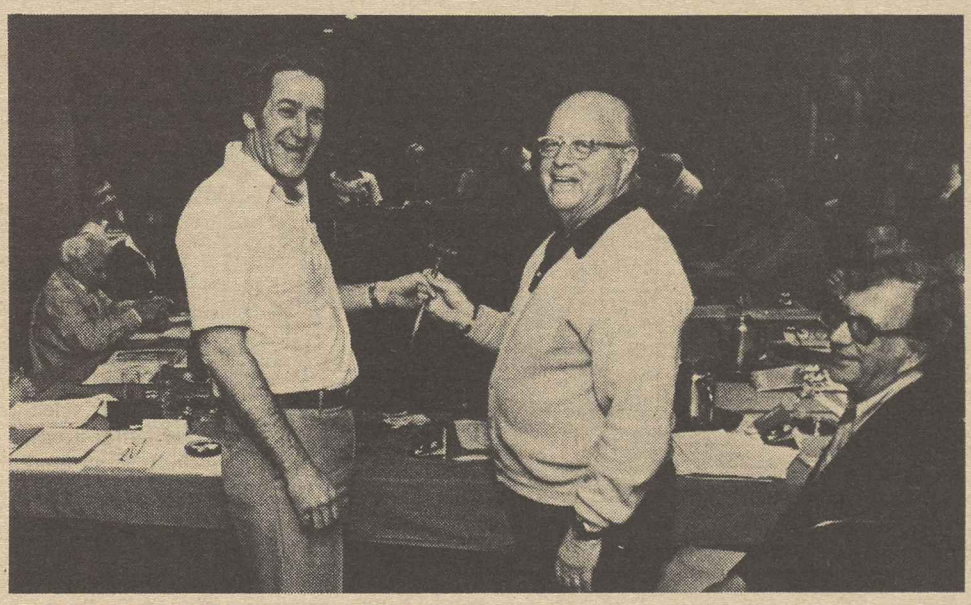
Bal Harbour, Fla.—William H. McClennan retired as president of the AFL-CIO Public Employee Dept., which he had headed since its founding in 1974, and Kenneth Blaylock was elected to fill out his term.

Blaylock is president of the Government Employees and has been treasurer of the department. McClennan is president-emeritus of the Fire Fighters.

In other action, the department's executive board named Teachers President Albert Shanker to succeed Blaylock as treasurer and designated Service Employees President John Sweeney chairman of the department's newly formed organizing committee. The department now has 35 affiliates representing some 2 million federal, local and state government workers.

The terms of Blaylock and Shanker will run until the department convention next June.

The executive board also adopted a resolution supporting the boycott of Perdue poultry and released a new booklet on job safety and health issues in the public sector.



NEW PRESIDENT of the AFL-CIO Public Employee Dept., President Kenneth Blaylock of the American Federation of Government Employees, receives the gavel from his predecessor, William H. McClennan, president-emeritus of the Fire Fighters who had headed the PED since its founding in 1974.



PREVAILING WAGE protections for workers on federally funded construction projects were a major topic at the executive board meeting of the AFL-CIO Building & Construction Trades Dept. This discussion between formal sessions of the board drew Asbestos Workers President Andrew T. Haas, left, BCTD President Robert A. Georgine, and Plasterers' President Joseph T. Power.

Program Mapped to Assist Black South African Unions

Bal Harbour, Fla. — The AFL-CIO pledged renewed support for the development of free trade unions in South Africa.

The federation's Executive Council spelled out a specific program of financial and technical aid to help black workers in South Africa organize functioning trade unions as a means of improving their social and economic conditions.

TRADE UNION activity, the council emphasized, must be keyed to the need for basic changes that will lead to increased participation by blacks in the country's government and elimination of the official policy of racial segregation and discrimination known as apartheid.

The program endorsed by the council calls for establishment of a central office to coordinate all U.S. labor activities in support of trade unions in South Africa. The new unit will be set up within the African-American Labor Center, an auxiliary organization of the AFL-CIO. It will work in cooperation with other international labor bodies and trade secretariats.

The council also called for creation of a special fund to aid unions in South Africa which will include a legal defense fund. The federation also pledged to help to publicize South African labor developments in the United States.

Specific programs will be developed to provide training and direct assistance in organizing, collective bargaining, and leadership and membership training, the council said. These programs will include training and study programs in both the United States and South Africa, help in gathering and using collective bargaining information, assignment of an AALC representative to South Africa and other U.S. trade unionists to special short-term projects in the country.

CERTAIN schools and institutions in South Africa will be urged and helped to devise educational programs and skill-training activities, the council said, with emphasis on selective scholarship aid for black workers.

No specific dollar amounts have been set for the new program, AFL-CIO President Lane Kirkland said at a news conference during the council's meeting. He pointed out that it is still unclear what the total needs of the program will be and what barriers may be raised by South African authorities to the increase in trade union activities.

In its statement outlining the program, the council noted that it is not enough for the government of South Africa to simply say it is moving toward recognition of black trade unions. "The basic unqualified trade union rights of every worker in South Africa irrespective of race must be accepted," the council said, emphasizing that "any attempts to tamper with these rights, either by diluting or qualifying them," would be unacceptable.

THE COUNCIL noted that support of trade union rights for black South Africans is part of the AFL-CIO's "long-standing commitment to social change." Such rights, the council observed, "are an integral part of the basic freedoms which have been denied to blacks in South Africa."

The AFL-CIO's program in South Africa will focus first on the development of strong, united black trade unions to help ease the "tremendous disparity" between black and white workers, the council said.

When black workers have established a labor movement with trained leadership "that can fully represent its members and bargain freely for them," the federation will be able to work with the South African labor movement "as an entity," it said.

Council Scores Bid to Undercut Wage Standards

Bal Harbour, Fla.—Prevailing wage laws such as the Davis-Bacon Act and the Service Contract Act "must not be weakened at the federal or state level through legislative or administrative actions," the AFL-CIO Executive Council affirmed.

Conservative and business organizations have masqueraded their attack on federal and state prevailing wage laws as a battle against inflation, the council noted. But "undercutting community wage standards and weakening working conditions" won't dent the inflation rate, the council said. The only impact will be harm to both workers and their communities, it warned.

"Prevailing wage laws are based upon community wage scales and are established to discourage employers from importing cheap labor from outside the community," the council noted. In fact, it pointed out, "the majority of wage determinations are below those negotiated by unions for their members."

Where union scales are the prevailing wage in a locality, anti-union groups have charged that the wage structure freezes minorities out of construction jobs. The truth is, the council said, that "union apprenticeship programs have a far better record in recruiting and training minorities than non-union apprenticeship programs."

Drive Opens to Fund Paul Hall Studies Chair

National business, labor, and government officials have opened a drive to fund a permanent program in marine transportation studies at the University of Southern California in memory of the late Seafarers' president, Paul Hall.

Heading the drive as co-chairmen are Frank Drozak, who succeeded Hall as SIU president, and Herbert Brand, chairman of the Transportation Institute board of trustees. Hall, an AFL-CIO vice president, died last June.

Broad Program Outlined

U.S. Shipping Revival Linked to Coal Exports

Bal Harbour, Fla.—Increased coal exports could be the catalyst for a shipping and shipbuilding revival that would spur the entire U.S. economy, AFL-CIO President Lane Kirkland told the executive board of the Maritime Trades Dept.

Kirkland said the department is on the right course in stressing the potential for increasing coal exports from the United States to an energy-hungry world.

THE DEPARTMENT'S 43 affiliated unions joined in calling for a national commitment to improve inland waterways for cheaper and more efficient transport of coal, a construction program to build up the depleted and antiquated bulk cargo fleet, and bilateral agreements with coal-purchasing nations to assure that an equitable share of coal exports is carried on American-flag vessels.

"There was never a better time for America to revitalize her shipping and shipbuilding industries," Kirkland said.

Such a program, he stressed, would enhance the national security and stimulate the entire economy. "It would mean enhanced profits, as well as paychecks."

He promised the MTD leaders that "in the months ahead, as you try to impress those facts on the new Administration and the new Congress, the AFL-CIO will be at your side all the way."

THE TWO-DAY board meeting was the occasion for the reaffiliation of the Longshoremen. The ILA was one of the department's founding unions in 1946, but withdrew over jurisdictional and policy differences in 1967.

MTD President Frank Drozak, who is also president of the Seafarers, welcomed the ILA's reaffiliation as strengthening labor's campaign for "a strong and healthy maritime industry."

The board meeting also marked the first occasion for Rep. Walter B. Jones (D-N.C.) to meet with the board in his new role as chairman of the House Merchant Marine & Fisheries Committee.

Jones made clear that he shares labor's concern at the wide gap between promise and performance in carrying out the goals of the Merchant Marine Act. That law, he stressed, terms it necessary "that the United States shall have a merchant marine sufficient to carry its domestic water-borne commerce and a substantial portion of the water-borne export and import foreign commerce . . . owned by U.S. citizens, built in the United States and manned by citizen crews."

ANOTHER congressional ally, Rep. Leo C. Zeferetti (D-N.Y.), backed the department's goal of an equitable share of coal exports to be carried in U.S. vessels. He voiced concern at the fact that the few U.S. bulk carriers average 30 years old and transport only 2 percent of dry bulk cargo.

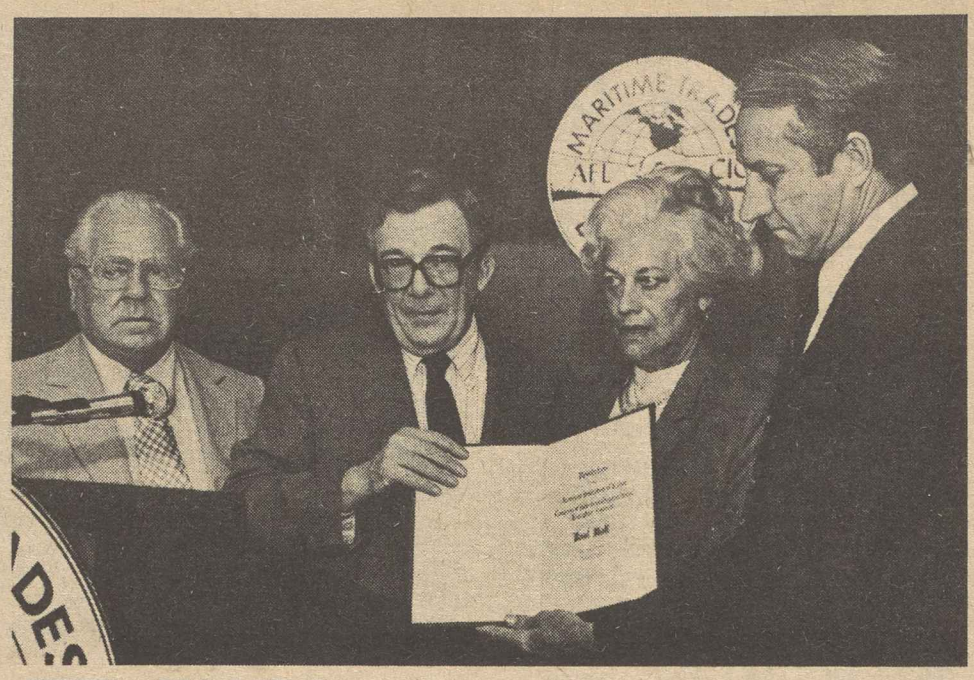
More than two dozen resolutions and policy statements were adopted by the board, some dealing with specific maritime concerns such as strong support for negotiation of bilateral shipping agreements with this country's trading partners, and others covering a broad scope of labor movement concerns—from opposition to a subminimum youth wage to support for the boycott of Perdue poultry products.

The more than 200 delegates and guests gave affectionate ovations to Rose Hall, widow of longtime MTD president Paul Hall, during presentations of plaques and scrolls from the AFL-CIO Executive Council and from the department. Mrs. Hall was also made an honorary member of the board.

PAUL BURNSKY, president of the Metal Trades Dept., which represents a large share of the nation's shipyard workers, stressed in remarks to the board that a merchant fleet under the U.S. flag is essential to the nation's security.

Scoring the so-called "flags of convenience" that carry most of the commerce to and from the United States, Burnsky said "there are no countries anywhere to which we can entrust control of the U.S. merchant fleet." And, he added, "on the high seas and in the shipyards, what is good for Exxon is not good for the security of the United States."

Other speakers included AFL-CIO department heads dealing with legislation, political education, research, education and field services. Former Maritime Administrator Andrew Gibson addressed the board in his role as president of Delta Steamship Lines.



SPECIAL RESOLUTION honoring the service and dedication to the labor movement of Paul Hall, late president of the Seafarers and the AFL-CIO Maritime Trades Dept., is presented to Hall's widow, Rose, during the department's executive board meeting in Florida. Joining AFL-CIO President Lane Kirkland in the presentation are MTD Vice President Stephen J. Leslie, left, and MTD President Frank Drozak.

Don Shasteen Named To Labor Dept. Post

Don Shasteen has been appointed deputy Under Secretary of Labor for legislation and intergovernmental relations. His appointment was announced by President Reagan and Labor Sec. Raymond J. Donovan.

A former newsman, Shasteen was the Republican nominee for the U.S. Senate in Nebraska in 1978. He was an assistant to Sen. Carl T. Curtis (R-Neb.) from 1966 to 1978 and to Sen. Gordon J. Humphrey (R-N.H.) in 1979-80.

Spurting Fuel Prices Pace New Rise in Wholesale Index

Wholesale prices, which nearly doubled their rate of increase in January, could go even higher in coming months because of President Reagan's recent decontrol of U.S. crude-oil prices.

About 40 percent of last month's overall increase of nine-tenths of 1 percent in the government's producer price index resulted from higher prices for gasoline, home-heating oil, and natural gas, the Bureau of Labor Statistics said in releasing its monthly report on wholesale price movements.

CRUDE OIL price increases recently imposed by the Organization of Petroleum Exporting Countries were reflected in the January data, but the figures did not include the effects of Reagan's Jan. 28 decision to decontrol domestic oil prices. These will begin to show up in next month's statistics.

Adding to the prospects for continued high inflation is the effect of the cold weather in Florida. While this has not been a factor in the index in recent months, prices of oranges, orange juice, and other fruits and vegetables grown in Florida have already begun to rise, and are likely to add inflationary pressure to producer price levels before long.

The January increase in wholesale prices was the largest monthly rise since last August, when prices at the producer level rose 1.2 percent. Producer prices rose five-tenths of 1 percent in December and seven-tenths of 1 percent in both October and November.

WHOLESALE energy prices increased 2.7 percent over the month, almost twice as fast as in December. Gasoline sold to dealers was up 2.5 percent and home-heating oil rose 5.7 percent. From October through January, finished energy prices climbed at an annual rate of 26.2 percent, far more than the 4.5 percent annual rate of increase for the six months ended in October, BLS observed.

Energy prices at the crude and intermediate stages also rose sharply in January—2.2 and 2.8 percent, respectively. The crude energy component has risen at an accelerating rate in the past few months. It went up 1.2 percent in November and 1.7 percent in December.

The major bright spot in the January wholesale figures was the stability in food prices. Prices for finished consumer foods were unchanged after climbing six-tenths of 1 percent in the preceding month.

THE ONLY substantial food price increases were for milled rice, fish, and soft drinks. Prices of such finished food items as fresh fruits, eggs, processed poultry, pork, and roasted coffee all fell by 2.5 percent or more. Yet many analysts, including government officials, expect food prices to climb by as much as 15 percent at the consumer level for the year as a whole.

Capital equipment prices rose 1 percent in January, about the same as in December. Prices for durable goods were unchanged for the second month in a row, but prices for nondurables jumped 1.7 percent after rising eight-tenths of 1 percent in December.

Prices for intermediate goods—items such as flour and fabric which require further processing—were up 1.2 percent, matching December's rise. Prices of crude goods fell 1 percent due mainly to declines for foodstuffs and nonfood materials other than energy.

Task Force to Study Airline Crew Issue

The Air Line Pilots air safety public information campaign has spurred the Reagan Administration to appoint a task force to investigate the controversial issue of cockpit crew complement in new jet aircraft. In response, the union has called off a nationwide "suspension of service" it had scheduled for Mar. 2 to dramatize the safety issue.

Plans to appoint the Presidential task force were announced by Transportation Sec. Drew Lewis following a meeting with ALPA President John J. O'Donnell and the union's executive board. Getting a task force formed to study the crew complement issue was a major objective of ALPA's Operation USA (Unity for Safe Airtravel) publicity effort launched in January.

MEMBERS OF the panel will be independent experts who will determine whether or not newly designed high technology jet aircraft should be flown by two or three crew members for maximum safety. Appointments to the three-member task force will be made in two weeks, and a report will be issued in 120 days, Lewis said.

The ALPA has challenged manufacturers' claims that the new aircraft, such as the recently certified McDonnell Douglas Super 80, are so advanced that they can be flown by a crew of two rather than three as is now standard practice in the industry. The new technology will actually increase the pilots' workload, the ALPA contends, and a third crew member is needed for a full margin of safety.

Lewis also assured the union's board that other safety and regulatory questions raised by the Operation USA campaign will be handled by the incoming administrator of the Federal Aviation Administration who will be instructed to "pay particular attention" to such issues as improvements in air traffic control systems and airport safety facilities.

The ALPA board praised this "responsiveness" to the concerns of airline pilots and said the government's actions would make a strike "unnecessary at this time."

The union, which represents 33,000 pilots, has been critical of the FAA's handling of the aircraft certification process of new model jets, charging that it has been a closed procedure between the agency and the aircraft manufacturers. The agency has been swayed by company pressure to accept certain relaxed safety standards, such as cockpits designed for only two crew members, without adequate testing, the union contends.

THE PILOTS also are concerned that proposed rule changes sought by the FAA could create hazards by increasing the number of hours a pilot can be required to fly without rest. In addition, the union opposes FAA proposals to increase fines or possible prison terms for violation of aviation regulations, and the pilots object to an agency proposal to have access to cockpit voice recordings of all flights.

Polish Labor Cited For 1st Meany Award

Bal Harbour, Fla.—Solidarity, the free trade union federation of Poland, has been selected as the first recipient of the AFL-CIO's George Meany International Human Rights Award, which the Executive Council established last year.

AFL-CIO President Lane Kirkland said the award to Solidarity was recommended by the council's international affairs committee and will be presented during this centennial year of the American labor movement "at an appropriate time and manner to be worked out later."

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Council Vows Firm Stand To Protect Key Programs

AFL-CIO News

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FORMER HOSTAGE Kathryn L. Koob came to the AFL-CIO Executive Council to thank the labor movement for its support of No Greater Love, an organization that assisted the families of the hostages during the 444 days of captivity as it has helped veterans and their families over the years. The yellow tablecloth she presented to AFL-CIO President Lane Kirkland was signed by all 52 former hostages. Koob, who was an International Communication Agency employee in Tehran, is a former member of the American Federation of Teachers and AFT President Albert Shanker, right, joins in welcoming her.

Approach to Reagan Will Focus on Issues

By David L. Perlman

Bal Harbour, Fla.—The AFL-CIO considers a strong government role essential to get the nation back on the road to full employment, and labor isn't prepared to leave worker health, safety and wage protections to the vagaries of the marketplace.

Key resolutions adopted by the AFL-CIO Executive Council during six days of meetings reflected those basic principles—and the issue-oriented approach that the AFL-CIO is bringing into the Reagan years.

Conflict with the new Administration won't be sought out. Nor will it be avoided when principle is at stake, the council made clear.

Thus, the council protested the social security cutbacks proposed by the President as "a breach of faith" with America's workers and pledged that the AFL-CIO will "vigorously oppose" their adoption.

EARLIER, THE Executive Council had sharply questioned President Reagan's economic package, contending that it demands heavy sacrifices from those with the least and rewards the wealthy.

But other important policy statements covered areas that are not necessarily sources of conflict, including foreign policy positions and domestic issues on which Administration policy is still being formulated.

In the sensitive area of immigration policy and the problem of illegal aliens, the council urged a crackdown on employers who hire and exploit illegal aliens as the first step in stemming a flood that is depressing wages and job opportunities for those at the bottom rung of the job ladder. The Reagan Administration has not yet taken a position in this area.

TWO CABINET members and the Senate majority leader brought assurances to the Executive Council that labor's voice will be listened to and its views taken into consideration.

But AFL-CIO President Lane Kirkland made clear at a news conference that he did not agree with the assessment of labor Sec. Ray Donovan that labor leaders recognize that the President has an election mandate to put his economic program into effect.

"Do you agree with that?" Kirkland was asked.

"No, I don't," he replied. "I doubt very much whether the working people of the state of Michigan thought they were voting for severe cutbacks in unemployment compensation or severe cutbacks in trade adjustment assistance. I doubt very much if people with children in the public schools thought they were voting for cutbacks in federal aid to education."

Kirkland said council members found

(Continued on Page 3)

Oil Industry's Profits Register 30% Gain in 1980

The major American oil firms boosted their profits 30 percent in 1980—a year of recession for other industries—after racking up record profit gains in 1979.

This was done despite the windfall profits tax, which was in effect for almost all of 1980, and in the face of reduced heating oil and gasoline consumption.

THE FINDINGS are from a special Democratic Study Group report on oil company profits. The income information was gathered by the Congressional Research Service from data supplied by the oil companies themselves. CRS is the research arm of the Library of Congress. Other highlights of the report:

- Oil company profits accounted for 40 percent of all profits earned by U.S. industrial firms in 1980, up from their 18 percent share just two years earlier.
- Profits of the nation's 20 largest oil companies have risen 404 percent since 1972, or 188 percent when adjusted for inflation.
- Oil companies have considerably more money available for their use than profit figures indicate. In most years, the actual cash available was twice as much as net profits.

The study reports that profits of the 20 top firms last year were in excess of $29 billion, or $7 billion more than in 1979. The increase is especially impressive in light of the fact that 1979 was itself a spectacularly profitable year for oil companies, and that the crude oil windfall

(Continued on Page 6)

Employer Role Blamed For Illegal Alien Flood

Bal Harbour, Fla.—The United States should combine a "compassionate" immigration policy with strong measures to stem the flood of illegal immigrants and crack down on employers who profit by exploiting them, the AFL-CIO Executive Council said.

Millions of illegal aliens constitute a large "sub-class," without rights, prey to unscrupulous employers and subject to the constant fear of discovery," the council noted. "Minorities, women and unemployed workers who are legal aliens or citizens see their own opportunities for a better life threatened by a frightened and docile illegal workforce."

THE COUNCIL statement expressed general agreement with the preliminary recommendations of the Select Commission on Immigration & Refugee Policy, which will submit its final report in the near future.

But the AFL-CIO stressed that labor rejects any "inference" that might be drawn from the report "that the primary goal of immigration policy should be fostering economic growth through the use of low-skilled and low-paid immigrants."

It welcomed, however, recommendations for sanctions against employers who regularly harbor illegal aliens and frequently flout wage-hour laws and other worker protections.

THE PROBLEM is serious enough "to warrant development of a more secure identification mechanism to enable employers to readily determine the legal status of job applicants," the AFL-CIO said. But "there must also be stringent, effective enforcement of civil rights laws to protect workers against employer discrimination."

The Executive Council also heard a report on immigration issues and labor's concerns from J. F. Otero, a vice president of

(Continued on Page 2)

Real Earnings Continue Slump

Welcome declines in grocery prices—the first in nearly a year—held down the rise in the nation's inflation rate last month but still kept working Americans from breaking even, the Bureau of Labor Statistics reported.

Workers' buying power, expressed as "real spendable earnings," fell one-tenth of 1 percent in January, and was down 4 percent over the year, BLS said. Real spendable earnings are take-home pay adjusted for the impact of inflation since 1967.

LAST MONTH'S drop in purchasing power was due to an eight-tenths of 1 percent increase in consumer prices, a jump that lifted the government's consumer price index 11.7 percent above its year-earlier level. The January rise compared with increases of about 1 percent in each of the preceding four months.

Despite the drop in the inflation rate, Chairman Murray Weidenbaum of the President's Council of Economic Advisers was not optimistic. The five-tenths of 1 percent decline in food and beverage prices was heavily outweighed by a sharp rise in energy costs, leaving the country "still in a double-digit inflationary environment," he said.

The average earnings of all non-supervisory workers in private, non-farm jobs in January were $249.21 a week in current dollars, or $21.01 higher than a year earlier. Adjusted for inflation, and expressed in terms of 1967 dollars, however, the average worker's "real" weekly pay was only $95.19—a decrease of $2.25 from a year earlier.

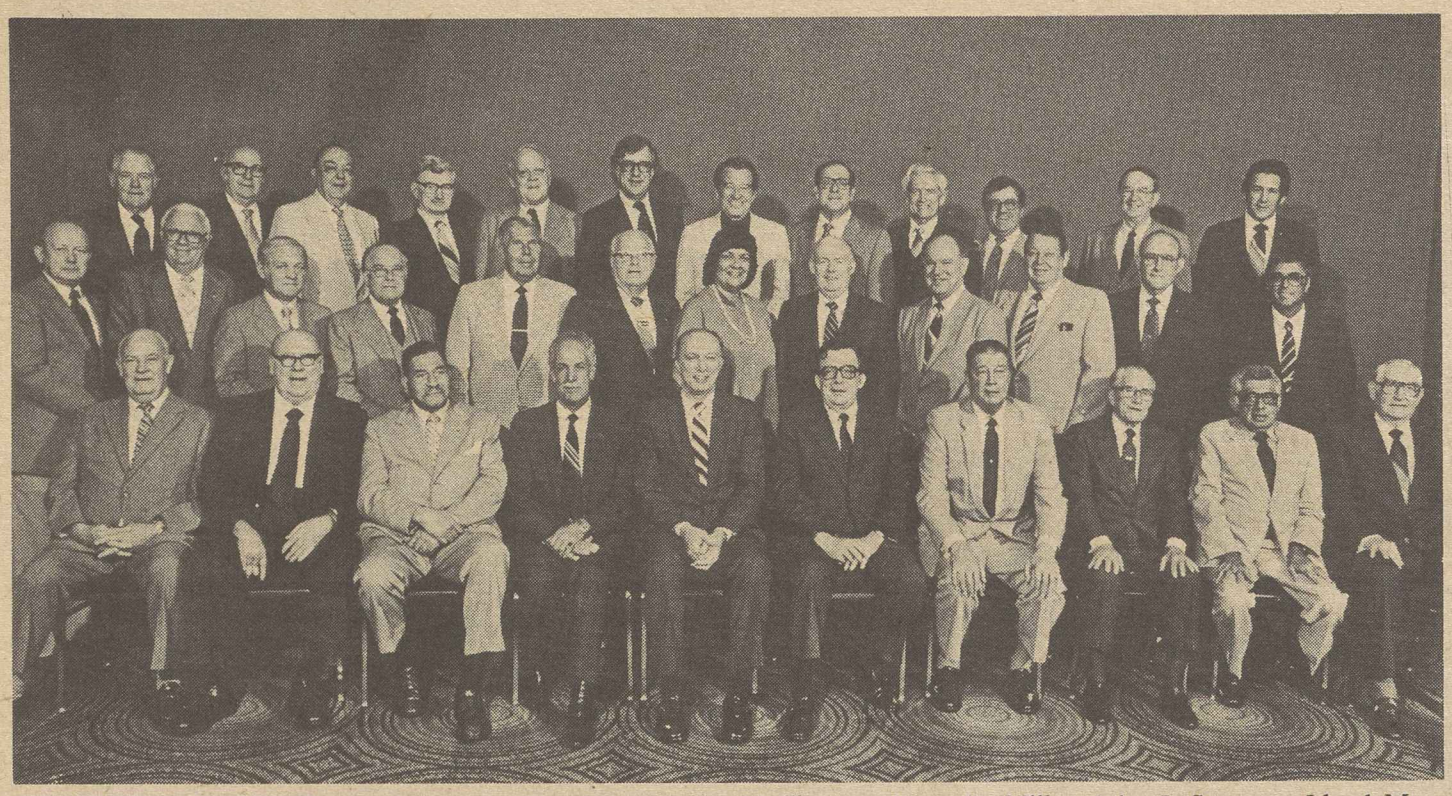
SLOWING FOOD and housing costs accounted for nearly all of the overall improvement in the January price picture. The drop in grocery-store prices was the first since February 1980. Prices of meats, poultry, fish, eggs, and fresh fruits and vegetables all contributed to the decline.

The sharpest price drops were for cured pork items and eggs. Shank portion hams went down 6.5 cents a pound and grade A eggs were 8.8 cents lower than in December. Bacon was down 6 cents a pound; the price of a pound of ground chuck was down a penny, and porterhouse steak was off 2.8 cents. The largest drop for any item was a 20.1-cent decline in the price of instant coffee. White sugar was down 2.7 cents a pound.

On the other hand, higher prices were posted for cereals and bakery products, and dairy product prices rose substantially. Fresh tomatoes were up 13 cents.

ABOUT 40 PERCENT of the seven-tenths of 1 percent rise in housing costs was due to higher shelter costs. Home financing rose 1.3 percent as an increase

(Continued on Page 7)



EXECUTIVE COUNCIL members pose for their "class photo" during the midwinter meeting. In front row, from left, Martin J. Ward, S. Frank Raftery, Frederick O'Neal, Peter Bommarito, Thomas R. Donahue, Lane Kirkland, John H. Lyons, Thomas W. Gleason, Jerry Wurf and Al H. Chesser. In second row, Robert F. Goss, J. C. Turner, William H. Wynn, Glenn E. Watts, Charles H. Pillard, William H. McClennan, Joyce D. Miller, John J. Sweeney, Lloyd McBride, Alvin E. Heaps, William W. Winpisinger and Fred J. Kroll. In back row, Emmet Andrews, John DeConcini, Angelo Fosco, William Konyha, David J. Fitzmaurice, Albert Shanker, Sol C. Chaikin, Murray H. Finley, Wayne E. Glenn, John J. O'Donnell, Dan V. Maroney and Kenneth T. Blaylock. Not in the picture is Edward T. Hanley.

Fight Pledged Against Move To Gut OSHA

Bal Harbour, Fla.—America's workers need the protections of the Occupational Safety & Health Act, and the trade union movement will resist any attempt to weaken the law or its enforcement, the AFL-CIO declared.

The federation's Executive Council expressed concern that the Reagan Administration's holdup of job safety and health regulations will be interpreted by foes of OSHA as "a green light to launch renewed legislative attacks on the law."

OSHA HAS proven its effectiveness, the council stressed. In its first 10 years of operation, it reduced serious workplace injuries by 15 percent and cut fatalities 10 percent. Its accomplishments have been especially noteworthy "in the most hazardous industries, where OSHA enforcement activity has been most intensive," the council said.

Right-wing groups that lash out at "big government" have tried to make OSHA a symbol of excessive government regulation, but workers view it as "more than a symbol," the Executive Council noted. It is an essential safeguard.

"This lifeline must not be cut by administrative or legislative pruning shears, nor evaluated solely by dollars and cents calculations that inadequately measure the value of life and health," the council insisted.

IT REITERATED labor's opposition to exclusion of small enterprises from OSHA enforcement.

"All workers need the protection of OSHA," the council said. "Injury and illness do not respect smaller employers any more than larger ones."

The labor movement is concerned about both safety and health on the job, the council said. Labor's goal, it stressed, is the same as that which is written into the law, "a safe and healthful workplace for every American worker."

Danny Thomas Picked For Top Labor Award

Bal Harbour, Fla.—Danny Thomas, the entertainer who has almost single-handedly raised funds to establish and maintain St. Jude's Children's Research Hospital in Memphis, Tenn., has been chosen to receive the 1981 Murray-Green-Meany Award, the AFL-CIO's highest honor.

The selection of Thomas was recommended by the Community Services Committee and unanimously approved by the AFL-CIO Council.

United Way Local Chapters Urged to Uphold Union Rights

Bal Harbour, Fla.—The AFL-CIO Executive Council praised the leadership of the United Way of America for its continuing policy of respecting the right of its employees to join unions. The council called on the United Way to have its affiliates and voluntary agencies that receive United Way funding adopt similar formal understandings on the rights of their workers.

THE UNITED WAY policy was formalized in 1979 in a memorandum of understanding with the AFL-CIO which, in part, spelled out the agency's support of the rights of its workers to organize and bargain and urged the use of union products and union labor in its activities.

While this policy has been "faithfully adhered to" by the United Way's national and regional staff, the council expressed concern that the principles "have not always been honored at the local levels."

Union-busting law firms have been hired by some local United Way agencies to keep unions out, the council said, and workers in those agencies have encountered "stiff resistance" to their attempts to organize.

The Executive Council praised the efforts of the federation's Dept. of Community Services as well as local AFL-CIO councils in resolving these disputes.

The most troublesome area has been in local agencies funded by local United Way organizations, the council emphasized. It recommended that the 1979 understanding "be applied to all agency applications for United Way funding" as a condition for receiving funds.

About 50 percent of United Way's annual budget of $1.6 billion comes from American workers. In addition to substantial contributions, American workers "have proven a commitment" to community service by volunteering time and effort to agencies that offer needed health, welfare and recreation services, the council noted.

Stressing the AFL-CIO's "deep commitment to extending a helping hand to all citizens in need," the council said that "labor support for the mission of the United Way and its affiliates carries with it a concern that actions not be taken by the United Way or its affiliates contrary to the well-being of organized labor."

Employer Profits Blamed for Tide Of Illegal Aliens

(Continued from Page 1)

the Railway & Airline Clerks and a public member of the Select Commission on Immigration & Refugee Policy. Otero is also the author of a major article in the February issue of the AFL-CIO American Federationist, entitled "Immigration Policy: Drifting Toward Disaster."

THE COUNCIL urged additional funding and upgrading of the Immigration & Naturalization Service and cautioned against making INS employees as a group scapegoats for management failures in the agency.

It welcomed the select commission's rejection of proposals for a large-scale bracero or guest-worker program. And the council agreed with the concept of cooperation by government, employers and unions to end the dependence of any industry on an annual influx of temporary workers from other countries.

"Any new immigration policy should foster reunification of families and offer haven for refugees from persecution, while adhering to the principle of concern for the welfare of American workers," the council said. "The United States is, and must remain, a pluralistic society."

THE STATEMENT stressed that the AFL-CIO also shares the select commission's view that the United States "cannot and should not be expected to accommodate the more than 15 million refugees now scattered throughout the world. An international problem demands international responsibility," and the United States should join with other nations in seeking solutions, the Executive Council said.

In Congress, the AFL-CIO will participate in the effort "to shape a new immigration policy that is compassionate and fair," the statement said.

Labor Renews Commitment To Equal Job Opportunity

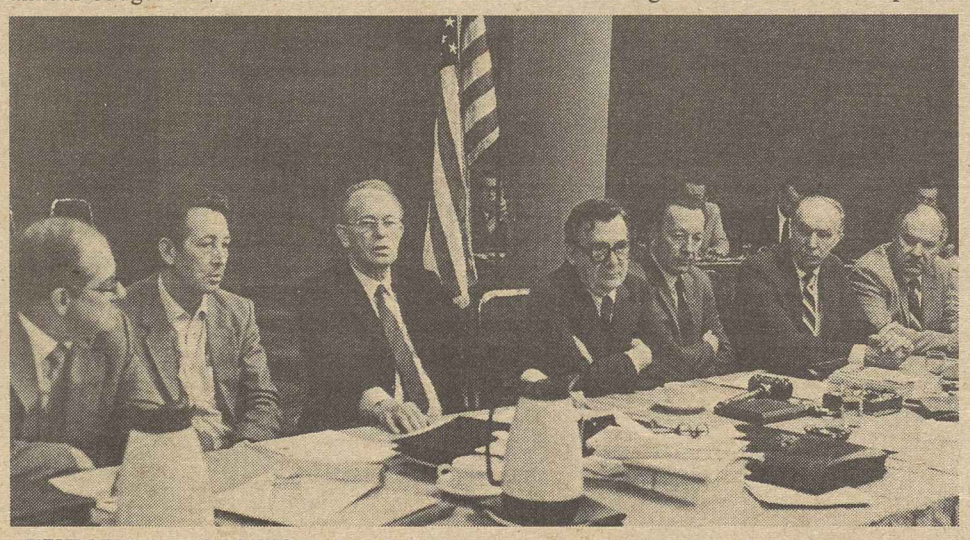
Bal Harbour, Fla.—The AFL-CIO renewed its commitment to wiping out discrimination in the workplace and pledged an intensified effort to achieve equal employment opportunity in all sectors of the economy.

Labor will work both for enforcement of the equal employment rights guaranteed by Title VII of the Civil Rights Act and for development and voluntary affirmative action programs, the Executive Council said.

THE FEDERATION said it will:

- Oppose efforts to weaken the Equal Employment Opportunity Commission.
- Expand the compilation and dissemination through the AFL-CIO Dept. of Civil Rights of information about programs by affiliates to expand equal job opportunities, affirmative action and "participation of minorities and women in their unions and their communities."
- Continue to support apprenticeship outreach programs.
- Work for continued funding under Title III of the Comprehensive Employment & Training Act to continue national union and community-based job programs such as those conducted by a number of affiliates and by the AFL-CIO's Human Resources Development Institute, the National Urban League's Labor Education Advancement Program, the Recruitment & Training Program and the Opportunities Industrialization Centers.
- Continue labor's close alliance with the civil rights movement, through the Leadership Conference on Civil Rights, on legislative measures to insure equal opportunity.
- Maintain AFL-CIO support for activities of the A. Philip Randolph Institute, the Labor Council for Latin American Advancement and the Coalition of Labor Union Women in order "to encourage greater participation by women and minorities in the labor movement and in the community."
- Strengthen coalitions with such groups as the NAACP, the National Urban League and the Southern Regional Council "in progressive programs to eliminate segregation in education, housing, jobs and voting."

The council urged affiliates to work with the AFL-CIO Civil Rights Committee "in carrying out an aggressive program to eliminate discrimination in the workplace and to enhance the civil rights of all Americans."



EXECUTIVE COUNCIL SESSION is addressed by Heinz Oskar Vetter, president of the DGB, the trade union federation of the Federal Republic of Germany. From left: AFL-CIO Vice President Murray H. Finley, DGB International Affairs Director Erwin Kristoffersen, Vetter, AFL-CIO President Lane Kirkland, DGB Vice President Alois Pfeiffer, AFL-CIO Sec.-Treas. Thomas R. Donahue, and Vice President Lloyd McBride.

Council Vows Fight for Key Programs

Issue-Oriented Approach Adopted for Reagan Years

(Continued from Page 1)

Donovan's assertion at a new conference that many of them had spoken up for the President's program "rather puzzling" since nothing of the sort happened. "Not while I was there, and I didn't leave the room," Kirkland assured reporters.

The council statements also covered a broad array of foreign policy issues.

In one, the AFL-CIO urged that the United States withdraw from UNESCO if that UN body should give its support to a doctrine that would limit freedom of the press by imposing standards of government-determined "responsibility" for journalists who would be allowed to report news from developing nations.

EARLIER THE council had urged that extension of American credits to Poland be conditioned on continued survival of that country's free trade union movement.

In El Salvador, the council said, U.S. assistance should require in return effective action to bring domestic violence under control and institute democratic reforms.

The council voted financial and technical assistance to help black workers in South Africa organize functioning trade unions. It asked emergency relief for refugees from war and drought in Somalia, and it endorsed the goals of a Cuban freedom group headed by Huber Matos.

On trade issues, the Executive Council stressed the need to maintain the U.S. industrial base against rising imports.

IT REITERATED, strongly, the AFL-CIO's conviction that the government has an obligation to provide both for the nation's defense and the general welfare, as the Constitution mandates, not one or the other.

One day of the council meeting was set aside for a session of the COPE Administrative Committee, which includes all council members as well as COPE groups.

In addition to an election analysis by COPE Director Al Barkan, the group also heard a report on checkoff procedures for voluntary contributions to COPE from a council subcommittee headed by Vice President J. C. Turner, and an evaluation of reapportionment and congressional redistricting issues from David Wells, an authority in the area who was "loaned" to COPE by the Ladies' Garment Workers.

KIRKLAND TOLD a news conference that the council is exploring means of increasing union influence in the selection of candidates in both political parties and the possibility of pre-convention consensus among unions on support of a candidate.

The council unanimously agreed to set up a committee to make recommendations on these issues. Kirkland will serve as chairman and the members are Vice Presidents John H. Lyons, Jerry Wurf, S. Frank Raftery, Murray H. Finley, Albert Shanker, Glenn E. Watts, Sol C. Chaikin, J. C. Turner, Lloyd McBride, William W. Winpisinger, William H. Wynn, Fred J. Kroll and John J. Sweeney.

THE COUNCIL placed New York Air, the cut-rate Washington-New York-Boston air service that the Pilots branded a "runaway shop," on the AFL-CIO's "unfair list." It also voted formal endorsement of the boycott of Perdue poultry products by the Food & Commercial Workers.

Entertainer Danny Thomas, the moving spirit behind St. Jude's Children's Research Hospital, was chosen to receive this year's Murray-Green-Meany Award. The United Way of America was praised for its own policy upholding the right of its employees to join unions, but the council expressed concern that these principles "have not always been honored at the local levels."

The council also set up a committee to develop procedures to encourage voluntary union mergers.

VICE PRESIDENT Lloyd McBride presented a committee report on cooperative organizing activities under way and being planned. The George Meany Memorial Committee reported on previously announced plans for establishing an archives at the George Meany Center for Labor Studies. Sec.-Treas. Thomas R. Donahue formally announced the dissolution of the federation's Railway Employes' Dept.

The council sent back to an impartial umpire a dispute over representation rights for a group of state employees whose previously unaffiliated association had acted to join one of three AFL-CIO unions that were parties to the case. The umpire had declined to rule on the legitimacy of the affiliation because it is before the courts.

Such an approach, the Executive Council held, "encourages litigation over bargaining rights" and thus is contrary to the intent of Article XX of the AFL-CIO Constitution that disputes be resolved through internal processes. The umpire was asked to determine the affiliation issue in accord with previous Executive Council policy and to decide other issues "to the extent necessary."

THE EXECUTIVE Council approved contributions to the Labor Council for Latin American Advancement, National Council of Senior Citizens, Coalition of Labor Union Women, Committee for National Health Insurance, Leadership Conference on Civil Rights, National Urban League LEAP program, National Urban Coalition, National Council of Negro Women, Southern Regional Council, Coalition to Protect Social Security, National Assembly of Voluntary Health & Social Welfare Organizations, and the Consumer Federation of America.

The council will hold its next meeting in Baltimore on May 7 and 8, in conjunction with the Union-Industries Show which will be held there.



AT NEWS CONFERENCE following an Executive Council session, AFL-CIO President Lane Kirkland answers questions on actions the council took covering economic issues, foreign affairs and labor's political role.

Economic Woes Compounded By Jobless Benefit Cutbacks

Bal Harbour, Fla.—The nation's recession-battered economy could be in critical trouble if Congress continues to weaken the unemployment insurance program, the AFL-CIO Executive Council warned.

With joblessness at near-record levels, the cushion of unemployment compensation is as necessary to the economy as to the families of millions of unemployed workers, the council stressed.

ITS STATEMENT contrasted the recommendations for federal minimum standards of benefits that were made last year by the National Commission on Unemployment Compensation with the regressive legislation that Congress ended up adopting.

The last Congress weakened "suitability" of work standards and said the long-term unemployed must be willing to take almost any type of work paying the minimum wage. It imposed a mandatory waiting period for benefits, barred extended benefits to a worker who "voluntarily" leaves a job or is fired for "misconduct," and cut jobless benefits by 50 percent of any pension or social security benefit.

A host of other cutback measures are likely to be considered in this Congress, the council noted, including elimination of the national "trigger" that puts the extended benefits program into effect in every state when the insured unemployment rate is high.

ALSO, the council said, one "budget-balancing" proposal would "juggle unemployment figures by treating the long-term unemployed as if they didn't exist." The effect would be to end the extended benefit program in 18 of the 26 states where it now exists.

The council also protested an Administration proposal that it said would compel jobless workers, "regardless of their skills or experience," to take minimum wage jobs after three months or lose their unemployment insurance.

Congress should reject any further cutbacks in unemployment insurance, the AFL-CIO urged. "Instead of cutting down on the program, both its financing and its basic protection should be strengthened."

LABOR SEC. Raymond Donovan expanded on the Administration proposal in testimony before the House Ways & Means Committee. He argued that unemployment benefits to workers should be cut off if they refuse to accept job offers in a different occupation at or above minimum wage after 13 weeks of joblessness.

Donovan noted that the current system commonly allows workers to receive benefits for up to six months if they cannot find a job in their old occupation.

This "does not make sense," he contended. He said "workers must be challenged to adjust their lives and their careers to meet changing conditions."

Donovan said that the Administration was proposing that, beginning in October 1982, workers be allowed to draw their first 13 weeks of unemployment compensation while searching for a job in their customary occupation at prevailing rates.

"AFTER THIS initial period, workers whose prospects of returning to their old line of work are not good would be denied benefits if they refused written offers of work which would pay wages at least as high as the minimum wage or their current UI (unemployment insurance) benefits, whichever is higher," he said.

Donovan estimated that the annual savings to the government would be $285 million if the Administration's proposal were adopted.

Mediation Role Vital in Settling Internal Disputes

Bal Harbour, Fla.—Most disputes between AFL-CIO affiliates continue to be resolved through mediation—the first step in the federation's Internal Disputes Plan.

A report to the AFL-CIO Executive Council noted that 56.7 percent of the 2,091 cases dealt with since the plan was initiated in 1962 were settled with the assistance of a mediator drawn from a panel of union officials.

Cases not resolved at that level are assigned to one of the federation's three impartial umpires, with a further appeal to the Executive Council allowed only on the recommendation of a council subcommittee.

DURING 1980, 50 cases were settled in mediation with 25 pending at the end of the report period. Umpires issued rulings in 46 cases, with eight pending. Executive Council subcommittees sustained 14 determinations that were appealed, referred four to the Executive Council, and four others were withdrawn. Twelve appeals were pending. The council set aside or modified four determinations by umpires.

In the 18 years of the program, 15 affiliates have been found to have failed to comply with final decisions, but in 13 cases compliance was later achieved and the affiliates' rights under Article XX of the AFL-CIO Constitution were restored.

Two organizations are now under sanctions — the International Typographical Union and the Graphic Arts International Union.

UNESCO's Threat to Press Prompts Call for U.S. Pullout

Bal Harbour, Fla.—The United States should withdraw from UNESCO if that international body endorses restrictions on freedom of the press, the AFL-CIO Executive Council said.

UNESCO, the initials of the United Nations Educational, Scientific & Cultural Organization, has been flirting with approval of governmental control of access to news and the dissemination of news under the guise of enhancing coverage of the developing nations of the Third World and "protecting" journalists.

The council noted that last October a UNESCO conference barely stopped short of supporting "licensing" of journalists whose coverage of news meets a government test of "responsibility."

The most recent attempt to promote the authoritarian "responsibility" doctrine was thwarted while the council was in session, when Western protests forced the expansion of a UNESCO conference of non-governmental journalist groups to include organizations opposed to press restrictions.

THE ORIGINAL invitation list by the UNESCO secretariat was limited to supporters of the responsibility doctrine.

"The United States must not be a party to any international support of policies that flout our own constitutional liberties," the Executive Council insisted. "Our government should serve firm notice that the United States will withdraw from UNESCO if that body endorses restrictions on press freedom."

The Jobless Aid Cushion

UNEMPLOYMENT INSURANCE is essential to the millions of American workers and their families who are out of work. With the persistence of the second highest unemployment levels since the Depression, an effective and sound unemployment insurance system is critical to the economy.

But efforts are continuing to deny benefits to large numbers of workers and to reduce the duration of payments for many others. The only result can be added pressure on welfare programs and a serious deterioration in the skills of workers by forcing them to accept inappropriate, unskilled jobs.

The AFL-CIO has long advocated establishment of federal minimum benefit standards that would assure all workers an adequate replacement of their lost wages if they are out of work and seeking suitable work commensurate with their experience and skills.

THE NATIONAL COMMISSION on Unemployment Compensation, composed of labor, management and public representatives, recommended federal minimum benefit standards last year. Even though the recommendations were not up to the levels advocated by the AFL-CIO, Congress ignored the proposals and instead enacted harsh provisions that virtually force states to slash existing unemployment insurance protections.

Still other backward steps are being advocated by the Administration and Sen. David Boren (D-Okla.) and others, including sharp curtailment of the benefits paid to those workers unemployed the longest during periods of severe economic recession. By eliminating the national "trigger," under which up to 13 additional weeks of benefits are paid to long-term jobless workers who exhaust their benefits when insured unemployment reaches 4.5 percent, long-term jobless workers and their families would be denied benefits unless their state was suffering calamitous unemployment.

So-called budget-balancing proposals are being advanced to juggle unemployment figures by treating the long-term unemployed as if they didn't exist. It is ludicrous to suggest that the severe problems faced by those who have been without work for months can be solved by pretending they aren't there. Under these proposals, extended benefits now actually paid in 26 states would be withdrawn in all but eight states.

IN ADDITION, the Administration has proposed that all jobless workers, regardless of their skills or experience, be forced to take minimum wage jobs after three months or lose their unemployment insurance.

Unemployment insurance cushions jobless workers and their families suffering a severe reduction in living standards and helps preserve the skilled workforce needed when economic conditions improve. Instead of cutting down on the program, both its financing and its basic protection should be strengthened, including federal minimum benefit standards.

We urge the Congress to reject further cutbacks in unemployment insurance and to restore those protections which have been an important part of this program.

—From AFL-CIO Executive Council statement adopted Feb. 20, 1981, at Bal Harbour, Fla.

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THOMAS R. DONAHUE, *Secretary-Treasurer*

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'And We Raise You...'



Opening Wedge

Subminimum Pay for Youth Would Undermine All Wages

By Gus Tyler

THE PROPOSAL to reduce the minimum wage of youth is the thin edge of a wedge that will ultimately cut the wages of women, minorities, and especially young blacks. Whatever arguments are presently being put forward to set a subminimum wage for young people apply with equal vigor to females, blacks, Hispanics and double for minority youngsters.

The faddish argument for enacting a youth subminimum runs this way: teenage unemployment is high because employers do not think that youngsters deserve the going minimum; but, if the floor were lowered for youth, more of them would be hired.

NOW LET'S SEE how this argument applies to others:

Many employers will not hire women because, says management, they are less dependable and experienced than men. Their work life is interrupted by childbearing and rearing. They are often unable to report to work because of illness at home among other members of the family. In short, the woman's nurturing role in the house disrupts her worklife.

But, continue such employers, if the minimum were lowered for women, management would hire more females.

The same argument is used about blacks and Hispanics. Because many of them have grown up in disadvantaged environments, it is pointed out, they bring less education and other work skills or habits to their job. Hence, employers are reluctant to hire these minorities if they can get others from a more advantaged background.

BUT, AGAIN, if employers could hire minorities for less (a lower minimum) the management would employ more blacks and Hispanics.

The same argument applies with double force to black youth whose jobless rate is at least double that of white youth. Lowering the minimum for all youngsters would not solve the black problem. Black youth would still suffer a higher jobless rate because of their skin color. So, to enable them to compete with white youth, there would have to be a sub-subminimum wage for black youth.

By this logic, a clear majority of the present labor force would be exempt from the standard minimum wage and dumped into some category of subminimum. Women make up about 40 percent of the labor force; when youth and minorities are added, the total is well over 50 percent.

Will such a system of lowered wages provide jobs for more women, youth, and minorities? The answer is, yes—for a while. Lower-paid minorities will displace higher-paid whites; lower-paid women will displace higher-paid men; sons and daughters will displace fathers and mothers.

THE NUMBER OF jobless in the country will not be reduced. Higher-paid workers will be out of jobs that will be filled by lower-paid workers.

But it won't stop there. Shortly, overall unemployment will increase. As the total wage drops, total buying power will fall—weakening the market for goods and services and workers.

In the long run, the drop in the demand for all labor will hit everyone, regardless of race, age, or sex.

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Austerity Must Be Applied with Equity

When we entered into a National Accord with the Carter Administration, we said we were prepared to accept a period of austerity so long as austerity was equitably distributed, and so long as no one would be exempted except those at the bottom of the ladder who had no more notches in their belt, who never knew anything in their lives but austerity.

I still believe those are sound principles.

There is a difference between ratcheting everything down a bit, on an equitable basis, and abolishing or crippling vital programs. That is a far different approach than to treat everybody alike.

If anybody is going to get an extra dose of austerity, it should be the ones that have the most fat on their bones and the most unused notches on their belts.

—AFL-CIO President Lane Kirkland at press conference during AFL-CIO Executive Council meeting, Bal Harbour, Fla.

'High-Risk Gamble'

Reagan's Economic Program Fails Test of Fairness, Equity

The following statement on the President's economic proposals was adopted by the AFL-CIO Executive Council Feb. 19, 1981, Bal Harbour, Fla.

THE AFL-CIO AGREES with the proposition that inflation must be reduced; the number of jobs increased and the unemployed put back to work; productivity improved; industrial strength restored, and federal programs made more effective and efficient.

But we cannot agree that the measures the President outlined will achieve those goals or that they meet the essential tests of fairness and equity.

His proposals require more sacrifice from those who have little, to give more to those who already have much. They substitute unrestrained market power for social responsibility and human concerns. They shortchange sound economic growth by cutting back programs to achieve energy independence, rebuild the nation's transportation system, revitalize urban areas and safeguard the environment.

The President placed on us and others who cannot agree with him the responsibility of offering an alternative. The AFL-CIO has spelled out such a program that meets the nation's economic needs with fairness and equity.

Tax Policy

AMERICANS NEED a change in the tax laws to alleviate the effects of inflation. At the same time, targeted business tax cuts are needed to revive the industrial base of the economy.

The President proposes to give 60 percent of his individual tax cut to the top 20 percent of the taxpayers, and over 11 percent to one percent of the taxpayers. The family earning $10,000 a year would get a $52 tax break in the first year. The family earning $30,000 would get a $382 tax reduction. But the family earning $100,000 would get a minimum of $1,840.

By contrast, the AFL-CIO has proposed a refundable individual tax cut of 20 percent of social security taxes. The family with a $10,000 income would receive a tax benefit of $134. The family earning $30,000 would get $395. At $100,000, the tax cut is an identical $395. Under our proposal, 60 percent of the individual tax cut would go to 80 percent of the taxpayers.

Highly profitable businesses would benefit the most under the President's depreciation tax proposals. Struggling companies and newly developing industries would benefit little, if at all. The President's unrestricted depreciation proposal could encourage industrial migration from areas of already high unemployment.

By contrast, the AFL-CIO has proposed a business tax cut designed to stimulate investment where it is needed the most. In addition, we have proposed a tax cut of 5 percent of social security taxes to directly reduce every covered employer's payroll costs.

Monetary Policy

THE "ABSURD" interest rates of 20 percent, mentioned by the President, are largely a result of the same tight-money policy he said he supports. Use of that policy to combat inflation has repeatedly led to economic downturns, not the prosperity promised by the President. Another byproduct of high interest rates has been large increases in annual interest payments on the federal debt, expected to grow by more than $15 billion in the current year.

By contrast, the AFL-CIO recommends that selective credit regulations be reimposed. They would direct capital to productive investments while curbing speculation. Other advanced Western industrial countries have used selective credit regulation effectively. The brief U.S. experience with limited credit controls in the spring of 1980 helped bring the prime rate down from 20 to 11 percent in four months, while mortgage interest rates came down from 16 to 11 percent.

Budgetary Policy

THE PRESIDENT'S proposed budget cuts, the centerpiece of his program, are both inequitable and short-sighted. He pledged to "fulfill the obligations that spring from our national conscience," but, in fact, his call for $17.5 billion in budget reductions in social programs would cut the meager incomes of the jobless and the poor.

For nearly 50 years, this country has built a network of social programs to improve the lot of the disadvantaged, provide support in times of adversity and strengthen the American economy. To destroy or weaken these programs is to weaken Amercia.

The President, in seeking additional budget cuts, would slash an additional $24 billion by reducing social investments necessary to expand the economy. Not only would those cuts have an immediate cost of more than 1 million jobs, but they endanger the nation's long-range needs for energy security, transportation improvements, environmental safeguards and urban development.

The President relies entirely on the theory that the tax cuts he proposes will result in private financing for these necessary investments. There is little basis for this hope. Public employees will bear an additional unfair burden.

By contrast, the AFL-CIO would attack the budget deficit by reducing unemployment and cutting interest rates. A reduction in unemployment of 1 percent would cut $30 billion from that deficit.

Regulatory Policy

THE PRESIDENT contends that the laws protecting health, safety, and the environment and consumers passed in the last decade have caused "higher prices, higher unemployment and lower productivity growth." He ignores the contributions these laws have made to a higher quality of life.

In the name of business efficiency, he would let the marketplace determine if, when and how workers, buyers and natural resources are to be protected. Past experience demonstrates that the market undervalues the need for these protections.

In addition, the regulatory analyses the President initiated will increase red tape by making legal proceedings longer, more complicated and more expensive. While he calls for assessing costs and benefits, he provides no method for valuing health and safety or accurately projecting costs. Finally, by increasing the powers of the Office of Management & Budget, the government's ability to enforce protective laws as Congress intended is undermined.

* * * * *

THE PRESIDENT'S program is a high-risk gamble with the future of America. Workers and the poor take the lion's share of the risk. The only sure winners are the wealthy, whether they are individuals or corporations.

It is a gamble that has not paid off in the past and one the nation cannot afford to take. We will, therefore, join with other concerned citizens to advance an economic program that will meet the nation's needs fairly and equitably and with true equality of sacrifice.

Washington Window

By Press Associates, Inc.

THE OLD PATTERNS of segregated roles for men and women in work and family life have changed dramatically over the past two decades as women, especially married mothers, have entered the labor force in huge numbers.

More than half the children in the United States under 18 years of age have mothers who are working or seeking work. The nation's most prevalent family type is now the two-parent, two-wage-earner family. Add the many single-parent families in which the sole parent—usually a woman—works and the "typical" American family in the 1980s is one with working parents.

While a relatively new phenomenon in the United States, "working families" long have been the norm in many European nations, according to Sheila Kamerman, associate professor at Columbia University's School of Social Work.

KAMERMAN'S STUDY comparing the "working family" in the United States and five European nations was recently published in the Labor Dept.'s Monthly Labor Review.

She chose five nations with similar levels of industrialization and certain characteristics: half the adult women or more are in the labor force; women with school-age children are expected to work, and a similar pattern is emerging for those with pre-school children; and the government has focused attention on working parents with children under age three, when the tension between work and family life is most severe. The nations studied were Hungary, West Germany, East Germany, France and Sweden.

The author found that in the United States, 56 percent of working mothers have school-age children, 48 percent have children aged three to six years and 35 percent have children under age three. Comparable statistics for France are 48 percent, 44 percent and 43 percent. In West Germany, the figures are 41 percent, 34 percent and 32 percent, and in Sweden, 78 percent, 64 percent and 58 percent.

EUROPEAN NATIONS tend to approach the concerns of working parents through what is increasingly being referred to as a "family benefit system," Kamerman wrote. She stressed that the Europeans have a long history of acknowledging that children are a major resource and that the entire society should share in the costs of rearing them.

Cash benefits are provided to families with children as part of a country's social security system, but in a way distinguishable from traditional social insurance and assistance, she noted.

Family allowances began first in France in the 1930s; in Sweden and several other countries in the 1940s. A total of 67 countries, including all the developed countries except the United States, provide such a supplement to adults who are rearing children.

In most European nations, maternity benefits feature a guarantee of a right to leave work with the assurance of full job protection, seniority and pension entitlement. Paid leaves following childbirth range from three months to three years. In most countries, six months leave is typical.

FURTHER, all European countries permit additional unpaid but job-protected leaves of somewhere between six months and two years. No such guarantee of job protection or paid or unpaid leave is assured through government policy in the United States.

Kamerman called employment and labor market policies "a cornerstone of social policy" in industrialized countries. "Work remains the primary role for all adults and a central ethic" in European countries and in the United States, she noted.

Kamerman's analysis revealed that in many respects the governments of European nations show a greater appreciation of this fact. She also cited a tendency to develop family or child care "packages" that go far beyond any single policy strategy.



LABOR'S POLITICAL program was assessed at this meeting of the COPE Administrative Committee, which includes Executive Council members and various COPE groups. It heard a report on reapportionment and redistricting decisions state legislatures will be making this year and a discussion of means of achieving consensus and strengthening labor's influence in the selection of presidential candidates.

Oil Industry Profits Jump 30% for 1980

(Continued from Page 1)

profits tax was in effect for the 10 months of 1980, the DSG said.

"Over half of the top 20 oil companies reported net profits of more than $1 billion in 1980," the DSG said. "Oil profits have risen so high that oil companies are on the verge of overwhelming the American industrial economy."

MOBIL SCORED the highest percentage increase in profits last year, a gain of 63 percent on earnings of $3.2 billion. Standard of Ohio registered a 53 percent rise on profits of $1.8 billion. Exxon, the world's largest firm, amassed $5.6 billion in profits, a 32-percent increase from 1979.

Other big winners and their profits rise over 1979 were Texaco, up 27 percent; Standard of California, up 35 percent; Standard of Indiana, up 27 percent; Shell, up 36 percent, and Phillips, up 20 percent.

The 30-percent increase in the profits of these top 20 firms compared with a 70 percent increase in 1979 over 1978. Last year's lesser rate of increase was due to a slower rate of world oil price rises, an increase in worldwide oil stocks compared to 1979's low levels, and lower consumption.

NEVERTHELESS, the DSG pointed out, the 1979-80 profits growth was surpassed only by the dramatic gains in 1979 and during the 1973 Arab oil embargo.

The windfall profits tax was enacted by Congress specifically to recapture some of the profits oil companies could expect after former President Carter ordered decontrol to begin in June 1979.

President Reagan's Jan. 28 order to remove all remaining price controls from domestic oil will add still more billions to oil profits during 1981, the DSG observed. It predicted that gross revenues of the top 20 firms will increase $12 billion.

Committee Established To Encourage Mergers

Bal Harbour, Fla.—The AFL-CIO Executive Council voted to establish a special committee to develop procedures and mechanisms to encourage voluntary consolidation and mergers of affiliated unions.

AFL-CIO President Lane Kirkland appointed Vice President Murray H. Finley as chairman. The other members are Vice Presidents Jerry Wurf, Kenneth T. Blaylock, William H. Wynn, John DeConcini, Fred J. Kroll and Charles H. Pillard.

'Care to Try Our New Line?'



Continued Safeguards Urged In Gene Formation Studies

Bal Harbour, Fla.—Guidelines set by the National Institutes of Health for research involving recombinant DNA molecules should remain in effect "until all questions of safety and risk have been answered," the AFL-CIO Executive Council said.

DNA is the chemical component of genes and has made possible research into the nature of life. Now, the resolution noted, "this research is moving beyond the laboratory and is being actively pursued by industry."

The resolution noted that regulations, besides being mandatory, would have stronger requirements for monitoring and for medical examinations of workers. While "guidelines can be changed easily, regulations could not be weakened until a full public review was undertaken."

THE RESOLUTION, which takes note of both the hopeful developments and uncertain hazards of DNA research, had been introduced at the last AFL-CIO convention and referred to the Executive Council for further study.

A committee set up to consider referred resolutions recommended its adoption, and the Executive Council concurred.

The resolution noted that the National Institutes of Health Guidelines are voluntary, concerned mostly with laboratory practices, and stressed the need for binding regulations to cover production facilities, especially in view of industry attempts to weaken guidelines.

Laboratory guidelines had been originally recommended by the scientific community to lower risks of escape of potentially harmful organisms.

Therefore, the AFL-CIO will both oppose weakening the research guidelines at this time and support efforts by OSHA and other regulatory agencies to establish workplace safeguards.

Another matter referred by the AFL-CIO convention dealt with the "Buy American" policy as applied to mass transit legislation.

THE EXECUTIVE COUNCIL approved the following rewording of the referred paragraph from the mass transit resolution:

"The present 'Buy American' provisions of the Urban Mass Transit Act should be vigorously enforced. Domestic content requirements should be gradually raised to assure a viable domestic industry producing transit buses and rail cars, along with related supplies and equipment. International trade agreements on government procurement specifically exempt the Dept. of Transportation and the states from coverage. The U.S. should support domestic preference for transit equipment."

The council also sent three referred resolutions to its reactivated Committee on Public Relations and one resolution to the Committee on Safety & Occupational Health.

Schedule for March Listed By Labor Studies Center

Institutes on advanced organizing techniques and issues for women workers highlight the March calendar at the George Meany Center for Labor Studies. Seven AFL-CIO affiliates will use the Silver Spring, Md., campus for their own training programs during the month as will the American Institute for Free Labor Development. The March schedule:

Advanced Organizing Techniques, Mar. 8-27—A three-week institute on organizing for experienced staff members co-sponsored by the AFL-CIO Dept. of Organization & Field Services.

Issues for Women Workers, Mar. 8-13—The center's annual program to provide a thorough understanding of current issues important to women and to help participants increase their skills in union work.

The unions using the campus for their own training programs are the United Transportation Union, Mar. 1-6; Communications Workers, Mar. 1-13; Operating Engineers, Mar. 1-6; Service Employees, Mar. 15-20; State, County & Municipal Employees, Mar. 22-27; Railway & Airline Clerks, Mar. 22-27, and Flight Attendants, Mar. 30 to Apr. 2.

The AIFLD will bring two groups to the campus during the month—25 industrial workers from Bermuda for a bargaining seminar Mar. 8-14 and 40 Spanish-speaking trade unionists from Latin America for six weeks of courses on organizing techniques and trade union leadership, starting Mar. 15.

One off-campus program is scheduled, an institute for Building Trades business agents, Mar. 1-6, at the University of Oregon at Eugene.

Further information on these and other labor studies programs may be obtained from Fred K. Hoehler, Jr., director, George Meany Center, 10000 New Hampshire Ave., Silver Spring, Md. 20903.

New York Air Service Lands On Unfair List

Bal Harbour, Fla.—New York Air, the new cut-rate Washington-New York-Boston air service, has been placed on the AFL-CIO Unfair List by the federation's Executive Council. Union members and union pension fund trustees will be alerted to the action, the council declared.

The council acted at the request of the Air Line Pilots who have branded the nonunion airline a "runaway shop," set up by Texas International Airlines as a way of getting out from under its obligations under its union contracts.

NEW YORK AIR, which went into operation in late December, is offering for sale some 1.5 million shares of common stock, the council pointed out. It warned pension fund trustees that the operation fits the definition of a company "inimical to workers' interests" and "unworthy" of union support through pension fund investments.

The Air Line Pilots and its affiliate, the Flight Attendants, have charged that New York Air is "one and the same" with Texas International which transferred millions of dollars of its revenues to a holding company in order to set up New York Air as a separate entity.

IN DECEMBER the airline unions were joined by the Machinists and the unaffiliated Teamsters in informational picketing at Washington's National and New York's LaGuardia airports to protest start-up of the service with non-union crews.

New York Air employs non-union workers at wages and working conditions far below industry standards, the council's statement charged, pointing out that skilled and experienced union employees of Texas International have been laid off while workers with less experience have been taken on at New York Air.

Council Scores Union-Busting Cost 'Pass-On'

Bal Harbour, Fla.—Health insurance premiums should be used to finance patient care, not union-busting, the AFL-CIO Executive Council insisted.

The health care industry is passing on the costs of its anti-union activities through higher hospital bills and higher insurance premiums, the council noted. Thus, consumers end up paying for management consultants who specialize in thwarting organizing and collective bargaining in the health care field.

The council noted that the pass-on of such costs is prohibited in federal medical care programs because the expenses of fighting unions are not related to patient care.

"The same standard should also apply to private insurance programs, including Blue Cross and Blue Shield plans as well as private union-negotiated health plans," the council declared.

It urged affiliates "to guard against such misuses of health insurance funds." State and local central bodies were urged "to ask state insurance commissioners to adopt rules similar to the federal standard for private health insurers."

Watts Heads Council's PR Panel

Bal Harbour, Fla.—The AFL-CIO Executive Council has reactivated its Standing Committee on Public Relations, and a number of ad hoc committees that have been established in recent years will become its subcommittees.

Its chairman will be Vice President Glenn E. Watts, who is president of the Communications Workers. The ad hoc groups that have been incorporated in the reactivated committee include the Satellite and Cable Television Committee, the Telecommunications Policy Committee and a panel that has been exploring means of improving the public relations aspects of union organizing campaigns.

AFL-CIO President Lane Kirkland said at a news conference that he will also ask the new committee to incorporate the media monitoring project initiated by the Machinists.

Executive Council members appointed to the committee are AFL-CIO Sec.-Treas. Thomas R. Donahue and Vice Presidents S. Frank Raftery, Albert Shanker, William W. Winpisinger, Frederick O'Neal, Charles H. Pillard, John DeConcini, Lloyd McBride, Jerry Wurf, Sol C. Chaikin, William Konyha, John J. Sweeney, William H. Wynn and J. C. Turner.

Wrong Solution

Social Security Cuts Hit as Breach of Faith

Bal Harbour, Fla.—Cutbacks in social security benefits would break faith with America's workers and are the wrong solution to the system's greatly exaggerated funding problems, the AFL-CIO said.

The Executive Council served notice that labor will "vigorously oppose" benefit slashes called for in President Reagan's budget proposals. Some of the cutbacks were considered and rejected by the previous Congress after a "Save Our Security" coalition launched a campaign against them.

THE ADMINISTRATION'S budget would compel further restrictions on eligibility for disability insurance and world reduce payments to some beneficiaries.

It would eliminate for future retirees the $122-a-month minimum for those who have worked under social security long enough to qualify for benefits. And it would phase out the provision in present law that allows surviving children to draw benefits beyond the age of 18 if they are full-time students under 22 years of age.

"These social security protections are vital to active workers and their families," the council said. "Erosion of them would be most harmful to widows, the disabled, the young and the poor."

THE EXECUTIVE COUNCIL stressed that the financial problems of the social security system are largely caused by unemployment and inflation. It reiterated the AFL-CIO's position that a degree of general revenue financing should be injected into all social security programs—old age, survivors, disability and hospital insurance—"to provide relief for low and middle-income workers from the scheduled increases in the payroll tax, and to shore up the financing of the system."

While urging across-the-board infusions of government funds into a program now dependent on the payroll tax on workers and their employers, the council said no single component of social security—such as disability insurance or Medicare—should be totally financed from general revenues.

"It is important that social security programs retain the contributory principle that guarantees benefits as an earned right," the council said. "Without contributory features, income and means tests could be imposed that would transform social insurance programs into welfare programs."

COMMENTING on other proposals to reduce social security outlays, the Executive Council said:

- Social security beneficiaries should continue to receive their full cost-of-living increases.
- The eligibility age for social security benefits should not be raised. "Raising the age of eligibility would be tantamount to an across-the-board benefit reduction for millions of workers, particularly those who are forced into early retirement for reasons of poor health or unemployment."
- The formula for determining the benefits workers receive when they retire should not be changed so as to reduce benefit payments.

"WORKERS MUST not be denied the benefits they have worked for and paid for during their working lives," the council stressed. "The government must keep its word," and changing the terms "would constitute a breach of faith that would undermine public confidence in social security."

The council also reiterated the AFL-CIO's opposition to mandatory social security coverage of public employees unless there are specific safeguards dealing with existing public sector retirement programs to assure that workers will not be shortchanged.

Price Rise Slows But Real Wages Continue Slump

(Continued from Page 1)

of 1.9 percent in mortgage interest rates was partially offset by a decline in house prices. Home rents rose six-tenths of 1 percent, and household maintenance and repair costs fell slightly.

Fuel and utility charges soared 2.1 percent over the month and accounted for about half of the January rise in the CPI's housing component. Fuel oil prices accelerated 7.6 percent, and charges for natural gas and electricity rose 1 percent.

A large part of the January rise in transportation costs was due to a 3.8-percent jump in gasoline prices, BLS said. This was the largest monthly increase in gasoline costs since the very sharp advances recorded in the first quarter of 1980.

USED CAR prices rose 1.2 percent, following substantially larger increases in each of the five preceding months. Airline fares rose again in January to a point nearly one-third above their year-earlier levels.

The cost of medical care was up 1.3 percent as fees by physicians, dentists, and hospitals showed substantial increases. Entertainment charges rose nine-tenths of 1 percent as price increases were recorded for a wide range of goods and services, including newspapers, magazines, pet supplies, and entertainment services.



PRIVATE FUNDING for arts and humanities projects that added thousands of jobs and $700 million to the economy in 1980 will dry up or slow to a trickle if President Reagan's plan to slash federal cultural endowments gets congressional approval, President Theodore Bikel of Actors' Equity said on Labor News Conference. He was questioned by Ruth Dean of the Washington Star and Michael Posner of Reuters, right.

Budget Slash for Arts Seen Drying Up Private Funds

President Reagan's plan to slash cultural endowments will dry up private sector funding for arts and humanities projects that have matched the federal "seed monies" by ratios as high as four to one, President Theodore Bikel of Actors' Equity warned in a network radio interview.

Bikel stressed that the federal initiative provided by the National Arts & Humanities Act of 1965 stimulated private individuals, foundations and industries to contribute heavily to non-profit orchestras, theaters, dance companies, museums and other cultural activities.

THESE "brought to life" thousands of jobs and added more than $700 million to the national economy last year alone, he noted. Bikel said that while the private contributions are "very, very well-intentioned," they are likely to "slow to a trickle" without the prodding of the federal initiative.

Questioned by reporters on Labor News Conference, Bikel, who is a member of the National Council on the Arts, said the proposed cultural cutback would be a severe blow to the employment prospects of actors, sculptors, writers, historians and other professionals. He said that without the chance to practice their professions, these people will be forced into the crowded job market where more than 8 million workers are unable to find jobs.

If the cuts urged by the Administration's budget-framers are approved by Congress, the advance of cultural arts in the United States will be "set back a decade or more," he declared.

Bikel also scored the plan to curtail funding for the Corporation for Public Broadcasting, which is the foundation for the non-commercial radio and television programming that now serves virtually every community. He predicted that the cutback would draw more imported broadcasting products into the United States and cause serious harm to the domestic film and broadcast industries.

3 Women Elected to Board Of Food & Beverage Dept.

Bal Harbour, Fla.—The AFL-CIO Food & Beverage Trades Dept. added three women to a previously all-male executive board, moved to strengthen the department's network of local councils, and authorized an expanded "corporate program" to focus a national spotlight on firms that go in for union-busting.

Enlargement of the 12-member board is a follow-through on a resolution adopted at the last department convention which urged consideration of steps to give greater leadership representation to women, who make up an estimated 40 percent of workers in the food and beverage trades.

ALL OF THE new board members, President Robert F. Harbrant noted, have held increasingly responsible union offices and have been active in Coalition of Labor Union Women and other union and women's groups. The new board members are:

Lenore Miller, secretary-treasurer of the Retail, Wholesale & Dept. Store Union; Rhonda L. Allgaier, who has been organizer, business agent and now secretary-treasurer of a Hotel & Restaurant Employees local in Seattle, Wash., and Rosemary Trump, vice president of the Service Employees and president of a Pittsburgh local.

THE DEPARTMENT'S board approved a program of full-time coordinators for about 10 to 15 of its local and state councils. Their activities would include assistance on boycotts, such as that aimed at Perdue poultry, health and safety programs and strengthening of local councils.

To pinpoint corporate responsibility for union-busting managements, the department named Jeffrey Fiedler, who has been working with the Food & Allied Service Trades Council in the Washington, D.C., metropolitan area to direct the program with an expanded staff.

Resolutions adopted by the department included a statement urging adoption of federal safety and health standards for grain elevators and processing facilities, where concentrations of grain dust have caused death-dealing explosions.



NEW STRATEGIES for representing the interests of workers in its field are planned by the executive board of the AFL-CIO Food & Beverage Trades Dept. President William H. Wynn of the Food & Commercial Workers, center right, outlines a plan to focus national attention on anti-union firms. Department President Robert F. Harbrant is at right.

Defining the Work Ethic

Gompers, Alger Offered Sharply Different Views

Samuel Gompers, the 19th-Century founder and first president of the American Federation of Labor, was a contemporary of Horatio Alger, the hugely successful dime novelist who spun fanciful rags-to-riches tales about the American dream.

But though the two sprang from a similar matrix, their views on achieving economic independence sharply diverged. And as labor celebrates its centennial—the 1881 founding of the forerunner of the AFL—Stuart B. Kaufman suggests in an American Federationist article that there is much to be learned from how Gompers redefined the "work ethic" in an America of Alger-type dreams and myths.

ALGER GROUND out the same story with little variation more than a hundred times—the poor young man making it by a combination of intelligence, aggressiveness, and inner moral spirit. For his part, Gompers hammered away at the theme that for most workers there was no escape from the working class.

"This was an idea difficult for many craftsmen to accept then, just as it is today for many teachers and other so-called professionals of the white-collar world," observes Kaufman, a University of Maryland history professor, who is also editor of The Samuel Gompers Papers.

"We cannot look to rise into independence individually, Gompers argued; we can only achieve it in the workplace collectively." Kaufman's article in the current issue of the federation's monthly magazine is taken from a paper he delivered recently at an AFL-CIO centennial seminar at the George Meany Center for Labor Studies.

KAUFMAN NOTES that the American labor movement as we know it today got its start in the midst of a society that was frantically and passionately insisting that there was room at the top for everyone with the gumption, the pluck, to pull themselves up by their own bootstraps. Yet, in the impersonal, commercialized and industrializing economy of that period, self-esteem in the workplace was eluding most workers.

What Gompers did in the face of all this was to embody in a new organization, the AFL, a reformulation of the work ethic and a rededication to it, Kaufman observes.

"WE ARE, he said, permanently members of the working class. We must devise ways to have a say in all decisions affecting our work lives because only then can we workers perform what is needed of us with dignity and self-esteem," Kaufman writes of Gompers's message.

To this end, Gompers joined other skilled workers in organizing the country's labor force into unions aimed at preserving control of Americans' work lives. A study of the CIO in the 1930s shows that much of the motivation to organize and much of the field leadership also came from the craft elite among the mass production workers, Kaufman observes.

"They were the ones most likely to feel they were making a substantial contribution to the production process and to be proportinately more aware that they were powerless individually to maintain a control and discretion over their work lives consistent with dignity and self-esteem."

IN BOTH ALGER and Gompers, the author notes, "we find a reborn faith in the ability of the individual spirit at work to survive and find dignity. Alger reiterated the scenario that was familiar to the 19th-Century American who rose, in his words, "by a series of upward steps, partly due to good fortune, but largely to his own determination to improve, and energy. . . .

"Samuel Gompers gave us a new scenario, a collective one for the people . . . left behind."



LABOR SEC. RAY DONOVAN spoke to the AFL-CIO Executive Council about the evolving Reagan Administration program and responded to questions from council members. From left: Vice Presidents Emmet Andrews and Murray Finley, Sec.-Treas. Thomas R. Donahue, Donovan and President Lane Kirkland.

Inflation Rate Averages 12.9% In 1980 for Industrial Nations

Paris—Inflation in the free world's industrialized nations surged by an average 12.9 percent last year, and will remain stubbornly high again in 1981, the Organization for Economic Cooperation & Development (OECD) said here.

"The rise in OECD consumer prices of almost 13 percent in calendar year 1980 was three points higher than in 1979 and only half a point below the record rise experienced in 1974," said the OECD, a 24-nation organization that analyzes economic trends among its members.

A COMPARISON of 1980 inflation figures showed the United States average of 13.5 percent was third highest among the Big Seven countries, after Britain's 18-percent and Italy's 21.2-percent rates. The U.S. rate represents the annual average of the year's 12 monthly increases in the consumer price index, and compares with an annual average rise of 11.5 percent in 1979.

The highest inflation rates recorded among all OECD countries were Turkey, 94.3 percent; Iceland, 57.5 percent; Greece, 24.9 percent, and Ireland, 18.2 percent. West Germany's 5.5 percent was the lowest of any of the 24 countries.

About three-fourths of the 1980 increase in prices was caused by a 26 percent boost in energy prices, the OECD said. Most OECD nations experienced a significant deterioration in price performance last year.

Inflation rates among other Big Seven countries were: Japan, 8 percent compared with 3.6 percent in 1979; West Germany, 5.5 percent compared with 4.1 percent the year before; France, 13.3 percent compared with 10.8 percent, and Canada, 10.1 percent compared with 9.1 percent.

Britain's 18-percent jump in consumer prices compared with 13.4 percent in 1979, and Italy's 21.2 percent compared with 14.8 percent.

Nation's Security Tied To Fleet Upgrading

Bal Harbour, Fla.—A shipbuilding capacity that can meet the nation's needs for an American-flag merchant fleet and naval vessels to maintain the United States as a sea power are "fundamental" to the nation's security, the AFL-CIO Metal Trades Dept. said.

The department's executive board joined with the Maritime Trades Dept. in a series of position papers affirming the importance of sea power and shipbuilding.

Another resolution urged the United States to negotiate bilateral agreements with its trading partners dealing with the transportation of cargo between the two nations.

"The United States is the world's largest trading nation," the resolution noted. "Despite this fact, American-owned ships operating under the American flag carry only a little over 4 percent of the total foreign commerce."

Reagan Appoints Panel to Explore Air Crew Issue

President Reagan has named members of the impartial task force sought by the Air Line Pilots to resolve the issue of the cockpit crew size for new jet passenger aircraft.

The panel will be chaired by former Federal Aviation Administrator John McLucas and will include Fred J. Drinkwater III, a former Marine pilot, and Air Force Lt. Gen. Howard W. Leaf.

The ALPA called off a work stoppage it had planned for Mar. 2 to dramatize the safety issue after a meeting with Transportation Sec. Drew Lewis in which the Administration agreed to the task force.

The panel is scheduled to report in 120 days on whether the new technologically advanced jets can be safely flown by only two crew members as the industry asserts or whether three are needed for maximum safety as the pilots maintain.

ALPA President John J. O'Donnell, in a letter to the Washington Post, stressed that the crew complement issue has never had "a full, fair, unbiased examination by technically qualified persons" to settle the question which the pilots consider a safety issue. The ALPA will abide by the panel's decision, O'Donnell pledged.

LEWIS SAID the panel would determine cockpit crew size for the proposed Boeing 757 and 767 jets and would review the decision last summer by the FAA certifying the McDonnell Douglas Super 80 as safe to be flown with a two-person crew.

Aircraft manufacturers contend that a cockpit crew of two rather than three can save the industry an estimated $1 billion in labor costs. Increased workload in the new jets as well as increasingly crowded air space will tax both pilots and air traffic controllers, the ALPA pointed out.

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Council Endorses Perdue Poultry Boycott

Bal Harbour, Fla.—The Food & Commercial Workers' boycott of Perdue poultry products was endorsed by the AFL-CIO Executive Council with an appeal to union members and their families not to buy Perdue products "until the company ceases its unfair and illegal anti-union behavior."

The boycott was launched last September after Perdue fired 57 union supporters during an attempt by UFCW Local 117 to organize the company's Accomac, Va., processing plant.

THE DISCHARGES led to an unfair labor practice strike now in its seventh month. In January, AFL-CIO President Lane Kirkland added Perdue to the federation's unfair list at the request of UFCW President William E. Wynn.

In its own endorsement of the boycott, the council scored Perdue for a policy of "ruthless anti-union tactics" which have suppressed "every effort of its 6,000 employees to exercise their rights to union representation."

The council charged Perdue with "a campaign to destroy trade unionism in the American poultry industry." The endorsement pledges the federation's active support of the UFCW's campaign to persuade consumers to shun Perdue products.

AMONG ITS union-busting tacitcs, Perdue has bought several plants where union contracts were in force, closed them for "modernization" and reopened them with non-union workers, the council noted.

In its 1,700-worker Accomac plant alone, the council said, more than 400 workers have been fired for union activity in the last two years.

Among those discharged were union supporters who participated in the September organizing campaign. In the course of the campaign, UFCW supporters agreed to honor a picket line set up by the unaffiliated Teamsters in an attempt to win representation for Perdue drivers. The 57 UFCW supporters were "permanently replaced" by the company in retaliation, the union said. The action forced the UFCW to file unfair labor practice charges and led to the strike and the boycott.

The National Labor Relations Board has issued a complaint based on the charges and will begin hearings in April. In the meantime, the UFCW's pending election, which had been scheduled for Oct. 2, 1980, remains blocked until the charges are resolved.

THE AFL-CIO Union Label & Service Trades Dept. was called on by the council to promote the boycott and alert the labor press. Plans for a national campaign to urge union consumers not to buy Perdue's roasters, broilers, chicken parts and Cornish game hens are being set now, Department Sec.-Treas. Earl D. McDavid said.

Perdue is the third largest processor in the country, McDavid pointed out. He said the company's six plants in Delaware, Maryland, Virginia and North Carolina process some three million chickens a week. Most of the company's $300 million in annual sales is in the Northeast, including the lucrative New England, New York, Philadelphia, Baltimore and Washington, D.C., markets.

McDavid noted that Perdue products have been seen in other markets including those in the Far West, pointing up the need for a wide publicity effort.

Kirkland, Coalition Assail Drastic Slash in Programs



BUDGET COALITION of 157 cooperating organizations is announced by AFL-CIO President Lane Kirkland, who is flanked by other members of the coalition steering committee. Its goal is to prevent the destruction of still-needed government programs and to seek a fair distribution of any spending cuts.

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Broad Group Challenges Budget Tilt

A national coalition brought together by the AFL-CIO has challenged drastic budget cuts demanded by the Reagan Administration and will mount a coordinated lobbying effort to prevent needed programs from being jettisoned.

AFL-CIO President Lane Kirkland, flanked by other members of the Budget Coalition Steering Committee, told a crowded news conference that the 157 cooperating organizations are especially concerned with the lopsided tilt of the budget proposals.

A JOINT STATEMENT by the coalition partners termed it "basically wrong" to end assistance programs for the poor and the near-poor in order to fund tax cuts that will go largely to the top 20 percent income bracket.

"We believe that this nation can find solutions to the problems of high inflation, high interest rates, high energy costs and high unemployment which will not create unfair hardship on any one group of Americans," the coalition said. **(Text, Page 4.)**

A representative group of Steering Committee members spoke of their special concerns at the news conference, which was held at the AFL-CIO headquarters.

JACOB CLAYMAN, president of the National Council of Senior Citizens, said cutbacks in Medicaid, food stamps and housing assistance are falling especially heavily on the elderly.

"Serious cuts in these life-sustaining programs are included in the President's program," Clayman charged. The budget proposal, he said, "falls short of equity and humanity; it bodes ill for America's elderly."

Christine Davis, representing the National Women's Political Caucus, said the budget policy would lock many women into a cycle of poverty, cut federal assistance for child care facilities and force many working mothers to choose between quitting their jobs or leaving children unattended.

ROBERT McALPINE of the National Urban League said blacks and other mi-

(Continued on Page 3)

Reagan Plan Would Skimp Basic Needs

By David L. Perlman

AFL-CIO President Lane Kirkland pressed the House Budget Committee to base its spending ceilings and revenue goals on the nation's needs, instead of gambling on the Reagan Administration's dubious and untested economic theories.

Repeatedly, in response to questions by right-wing Republicans and conservative Democrats, Kirkland rejected the view that President Reagan is entitled to get his economic program through Congress intact because he won the election.

IT IS IN the nation's interest that these issues be debated, Kirkland insisted. "We need mass transit. We ought to be going all out in search of energy alternatives to liberate us from thralldom to OPEC," Kirkland urged.

"We do not believe that the nation has been too generous in helping the poor, the disadvantaged and the unemployed; we believe the Administration's proposal is too generous in supporting the wealthy and the powerful," he said.

Kirkland urged the committee not to lend itself to the Administration attempt to use budget-setting procedures to shortcut the normal legislative process, where laws are passed or changed only after study and consideration by the committees with jurisdiction over them. The budget proposals, he charged, would use spending ceilings to rewrite laws and abolish programs.

"THE BUDGET CUTS, tax cuts, regulatory cuts and money supply cuts add up to more inflation and unemployment," Kirkland warned. And, he said, they fall short of the government's constitutional mandate to provide both for the common defense and the general welfare. "It is the duty and obligation of Congress to tell these facts to the people," Kirkland stressed.

In response to questions, Kirkland said the AFL-CIO doesn't consider all government programs untouchable. Each program must stand on its own merits, he said. The AFL-CIO has suggested "areas where economies could be achieved," he

(Continued on Page 3)

Labor, Industry Leaders Form New Joint Panel

By James M. Shevis

Key leaders of organized labor and American business announced the formation of a reconstituted Labor-Management Group outside the government to seek solutions to the major economic problems facing the country.

"The United States faces a period in its history when non-inflationary economic growth and full employment are essential to the maintenance of a free and healthy society," the group said in a statement of purpose at a Washington press conference.

"AMERICAN LABOR and business see these as necessary mutual goals to provide our society with new and expanded job opportunities, increased living standards, international competitiveness in an interdependent world, and the capacity to meet social commitments."

AFL-CIO President Lane Kirkland will serve as chairman of the labor group and Clifton C. Garvin, Jr., chairman of the Exxon Corp., will head the management group. The joint panel will meet on a voluntary basis to seek a consensus approach toward economic policy.

Former Labor Sec. John T. Dunlop, who will serve as coordinator of the unit, observed that every major Western country has a forum in which labor and management leaders come together in an attempt to reach a meeting of the minds on major economic matters.

"IT SEEMS to me that the spirit of the times and the practice of other countries dictate such a forum here," said Dunlop, a Harvard University professor. The committee will deal principally with issues that are affected by public policy.

In the statement of purpose, which amounts to a formal charter under which the panel will operate, the two sides agreed that "the legitimacy of our respective institutions is demonstrated in the process of free collective bargaining," and added:

"We believe that both the democratic right of employees to determine the issue of representation and the process of collective bargaining must not be threatened by occasions of excessive behavior by employers or unions."

THE GROUP intends to "explore a wide range of issues with particular emphasis on revitalizing the nation's economic base, rebuilding the private and public infrastructure on which our productive capacity as a nation depends, and stimulating safe and efficient means for meeting the nation's energy needs," the statement of purpose said.

"The group will use the wider relationships its individual members have in the

(Continued on Page 8)

'Right-to-Work' Bills Rejected in Idaho, Montana

Labor handed "right-to-work" proponents two sound defeats when active lobbying by union members persuaded the Idaho and Montana legislatures to reject anti-union measures.

The Idaho state senate voted 20 to 15 to table indefinitely a "right-to-work" bill sent to it by the state's lower house. A two-thirds majority of the senate would be needed to revive the legislation, action that is considered unlikely before the legislatures adjourns in April.

IN MONTANA, a bill designed to cripple public employee unions, which the State AFL-CIO branded a "first step to a state 'right-to-work' law" was killed by a vote of 17-0 in the legislature's House Labor & Industry Committee.

In both states grass-roots campaigns

(Continued on Page 8)

AFL-CIO Scores Curtailment Of Trade Adjustment Benefits

American workers being displaced by imports need expanded trade adjustment assistance, not sharp cutbacks in the program as proposed by the Reagan Administration's budget-cutters, the AFL-CIO told Congress.

Testifying before a House Trade subcommittee, federation economist Elizabeth Jager warned that the Reagan budget ax would effectively terminate the adjustment benefits that hundreds of thousands of workers and communities depend on when plants are shut down because of import injury.

JAGER ALSO expressed concern that pressure from budget-cutters on the Treasury Dept. will result in slashing funds for the hiring of needed trade specialists who monitor imports.

An effective monitoring program to help enforce U.S. trade laws is essential to make the nation more competitive at home and abroad, she said.

The estimated cost of trade adjustment assistance for fiscal year 1981 is $2.7 billion, just over 1 percent of the current annual value of imports, Jager noted.

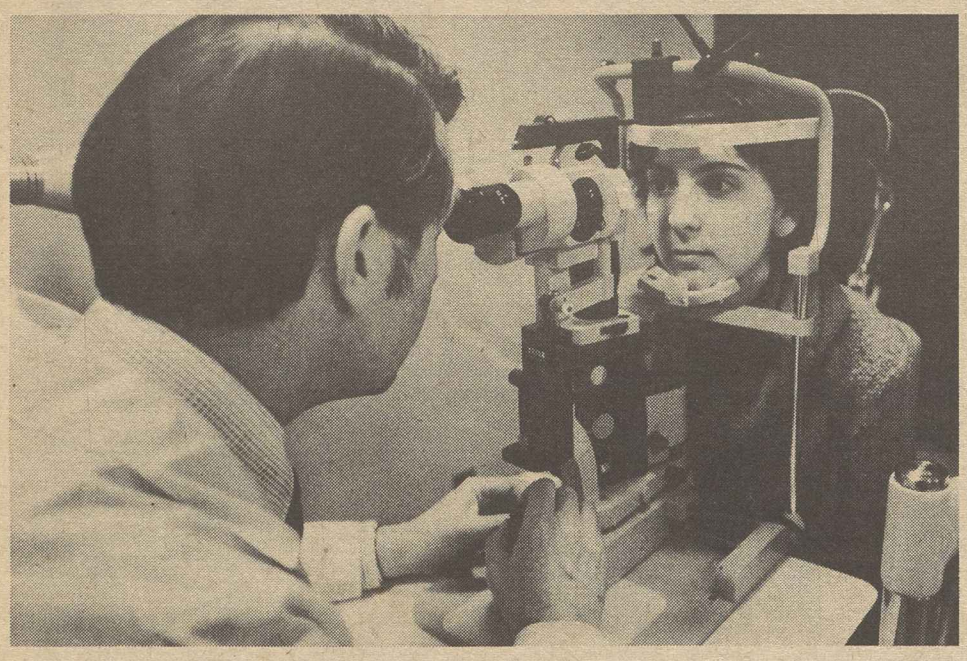
Prior reductions would limit the assistance program in fiscal '82 to $1.5 billion. But Jager pointed out that the Reagan Administration's budget-cutters would slash total benefits to $350 million.

THIS WOULD be done by amending the federal trade law so that workers would no longer get adjustment assistance while receiving unemployment insurance.

When unemployment insurance ran out, workers laid off because of imports could get adjustment aid, but the payments would be lowered to the jobless insurance rate.

So instead of a worker receiving 70 percent of his normal wages up to $269 a week for 52 weeks, the worker would be

(Continued on Page 8)



EYE EXAMINATION is conducted at the University of Maryland Hospital for operators of newspaper video display terminals under a program sponsored by the National Institute of Occupational Safety & Health. An extensive study into the health effects of VDTs is also being launched by the Newspaper Guild and the Mount Sinai School of Medicine at several U.S. and Canadian locals.

Study to Explore Hazards Of Video Display Terminals

The Newspaper Guild and the Mount Sinai School of Medicine in New York disclosed plans for an extensive study into the health effects that video display terminals (VDTs) have on workers.

The three-phase project is expected to cover some 2,000 Guild-represented newspaper employees, both VDT users and nonusers, in four to six Guild locals in the United States and Canada.

The first phase of the study will involve a survey to compare the physical conditions and symptoms of VDT users with those of nonusers in the same offices.

IF HEALTH irregularities are detected in a review of the questionnaires, follow-up ophthamological examinations and radiation tests will be conducted, the Guild said.

Guild President Charles A. Perlik, Jr., said the study promises to be one of the most extensive of its kind.

"It should begin to provide a definitive answer as to whether VDTs produce cataracts or other damage to the eyes, as well as answer persistent questions about the possible effects of radiation," Perlik said.

The Guild said the study will be coordinated by Mount Sinai and the labor-supported Workers Institute for Safety & Health (WISH) to explore the effects of non-ionizing radiation in the workplace.

INITIAL COSTS of the survey will be borne by the Guild and Mount Sinai. Financing of the later phases of the study is expected to come from several sources, including grants, participating Guild locals and negotiated agreements with employers.

The pilot phase of the study is expected to get under way within two months at the Guild's Vancouver-New Westminster local in British Columbia, and at the Los Angeles local. Subsequent phases of the project will be initiated later this year.

Service Employees Launch Drive for Women Workers

The Service Employees are joining forces with a national organization of secretarial and clerical workers to step up the union's organizing among women workers.

Creation of SEIU District 925 as a joint venture with the 10,000-member association known as Working Women were announced at a press conference by SEIU President John J. Sweeney with Karen Nussbaum, executive director of Working Women who will be president of District 925, and Jacquelynn Ruff, president of SEIU Local 925 in Boston who will be the program's executive director. Local 925 is the nucleus of the new unit's activities.

DISTRICT 925, called a national local union by SEIU, will expand the union's organizing efforts among secretarial workers, Sweeney said. Some 50,000 of the union's 650,000 members are in clerical jobs, Sweeney said, and about half the union's membership is female.

Sweeney also announced the formation of a new division within the international union to serve the interests of the union's secretarial and clerical membership.

He told reporters that because most of the nation's 20 million office workers lack union representation, they are "among the most underpaid and abused members of the workforce."

THE UNION hopes to organize more of these workers, Sweeney said, through the combination of SEIU's collective bargaining expertise and Working Women's successful representation of women's issues. District 925 will be organizing in a field in which 80 percent of the workers are women, and the new local union will be run "for and by" women, Sweeney emphasized.

Nussbaum told reporters that District 925 will not replace Working Women. She said that organization will continue to offer "programs of legal action, counseling, education and public awareness" to interested women.

RUFF NOTED that SEIU's 1,000-member Local 925, a name that plays on office hours "nine to five," has already posted substantial success in organizing workers in publishing, legal offices and universities in the Boston area.

Four organizers have been assigned to the initial stages of the organizing program, Sweeney said, although no final budget has yet been established for the program.

Arleen Gilliam Joins Social Security Staff

Arleen Fain Gilliam has joined the staff of the AFL-CIO as an assistant director of the Dept. of Social Security. She will concentrate on unemployment insurance and workers' compensation issues.

Before joining the AFL-CIO, Gilliam, 32, was with the Labor Dept. as executive assistant to the assistant secretary for employment and training. She was formerly a budget analyst with the Congressional Budget Office.

Gilliam received a bachelor of science degree in economics and business from Skidmore College, and a master of science from the Sloan School of Management at the Massachusetts Institute of Technology where she specialized in labor and industrial relations.

In Dissent by Lyons

Pension Law Proposals Seen as Backward Step

Many of the changes in social security and public sector retirement benefits that have been proposed by a presidential commission would work to the detriment of America's workers, Iron Workers President John H. Lyons protested in a formal dissent.

Lyons, the only union official on the 11-member President's Commission on Pension Policy, objected to reducing benefits as a means of easing funding problems and especially to a proposal that would gradually push the "normal" retirement age from 65 to 68.

HE ALSO voiced some reservations about the commission's proposal for mandatory employer-financed pensions meeting minimum federal standards as a supplement to social security benefits. The concept of such a private-sector program needs more detailed study than the commission was able to give it, Lyons suggested.

The commission, established by Congress and appointed by President Carter in 1979, was headed by C. Peter McColough, board chairman of the Xerox Corp., and submitted its proposals both to President Reagan and to Congress. While the recommendations represented a consensus within the commission, six members in addition to Lyons submitted "additional views" covering specific issues.

Lyons made these major points in his dissenting views:

- Pushing back the social security retirement age to 68, even if it would not affect workers now approaching retirement, "would break faith with younger workers" and "undermine confidence" that workers who pay into the system can count on the benefits promised. While many workers choose to work beyond 65, lack of job opportunities and ill health won't be overcome by later retirement.
- A recommendation that public sector retirement systems should increase their normal retirement age "in tandem with social security" would amount to a unilateral sacrifice by public employees of improvements made over the years, often as a tradeoff for other benefits.
- Abolishing early retirement rights now allowed for some public sector hazardous occupations ignores the fact that these provisions are in part designed to meet the need for persons in the physical prime of life. Further, where early retirement options are not available in such occupations as police and fire fighting, a high ratio of disability retirement offsets much of the supposed savings to the local governments.
- A commission recommendation for universal social security coverage, even though supporting retention of existing public retirement programs as a supplement, does not provide sufficient assurance that employees affected would not be worse off.
- Cutbacks in inflation protection for both social security and federal civil service retirement benefits put budget concerns over protecting pension payments against inflation.
- The commission should have recommended a degree of general revenue financing to supplement the social security payroll tax.
- Social security benefits should continue to be exempt from tax. The commission proposed to allow a tax credit or deduction for the employee-paid portion of the payroll tax but make the remainder subject to regular income tax while at the same time lifting the ceiling on outside earnings.

ON THE proposed mandatory universal pension system, which the commission refers to as MUPS, Lyons noted that the advantages it would bring "could be provided through social security at less cost."

But he acknowledged that "political realities" make the likelihood of sufficiently improving social security benefits to achieve a more comfortable retirement income "virtually nil." Thus, "the MUPS proposal may be the next best alternative."

As outlined by the commission, though, it has serious deficiencies, through smaller wage and benefit increases, and at the same time proposes a business tax credit to help employers meet the cost.

THE AFL-CIO Public Employee Dept. also sharply criticized commission recommendations affecting federal, postal, state and local government workers and retirees.

PED Director John Leyden charged that the recommendations are based on the false assumption that public sector pensions are overly generous. He said the department has developed position papers that point up "inaccuracies of the benefit and cost level comparisons between public and private sector employees which serve as the basis for the report's conclusions."

Council Gets Report Ending Two Boycotts

Bal Harbour, Fla.—The AFL-CIO Executive Council at its winter meeting here officially recognized the conclusion of two national consumer boycotts and removed the companies involved from the federation's boycott list.

The consumer action against J. P. Stevens & Co., conducted for more than four years by the Clothing & Textile Workers, ended last October when the union won a landmark agreement with the giant textile manufacturer.

The boycott against Cotrell & Leonard, Inc., a manufacturer of choir and graduation robes, was called off by the Ladies' Garment Workers in December when a settlement was reached with the company ending a long strike.

Auto Industry States Show Surge in 1980 Joblessness

Increases in the jobless rate were widespread among the states in 1980, with rates in each of 22 states exceeding the national increase of 1.3 percentage points, the Bureau of Labor Statistics reported.

According to the annual average estimates from the Current Population Survey, 32 states showed significant increases in unemployment rates.

BLS REPORTED the largest increases were in the north central region, where cutbacks were prevalent in auto-related and other durable goods manufacturing industries.

Michigan had the highest unemployment rate for the year—12.6 percent.

Declines in construction affected virtually all of the 32 states where unemployment rates increased in 1980, BLS said.

Unemployment rates changed very little over the year in most northeastern states and in ten southern and western states.

FIVE STATES had jobless rates higher than 8.5 percent. These included Alaska and Indiana, each with a rate of 9.6 percent, West Virginia at 9.4 percent and Alabama with a rate of 8.8 percent.

In the Pacific region, jobless rates included 6.8 percent in California, 8.2 percent in Oregon and 7.5 percent in Washington.

The total number of employed persons rose slightly in more than half the states. However, there were decreases in 16 states, mainly in the north central and south Atlantic regions, including substantial declines in Michigan, where employment dropped 5.5 percent, and Indiana, where there was a 3 percent drop.

Congress Urged to Reject Reagan Plan

Kirkland Attacks 'Gamble' With Nation's Basic Needs

(Continued from Page 1)

noted, including the "tax expenditures" that reward business for the export of jobs and the nation's industrial base. Credit measures that bring down interest rates would significantly reduce the federal budget and at the same time greatly help cities and states, Kirkland pointed out.

If Congress concludes that the budget must be reduced, he said, "it is more equitable to take a bit off everything . . . People can understand that and accept it."

REPEATEDLY, Kirkland challenged the view of government as a burden. He spoke of growing up in South Carolina, where gullies were ruining the land, only the main street in town was paved, kerosene lamps lit farmhouses, and "the social security system was the county poorhouse."

It took federal programs to turn that around, Kirkland reminded the committee.

From the House hearings, Kirkland joined other union officials and representatives of allied groups testifying before the Democratic Policy Forum, made up of the Democratic members of the Senate Labor & Human Resources Committee.

He reminded the senators of the "slow, painful process" to achieve a measure of social progress and economic justice.

NOW, HE SAID, those who cried "don't move too fast" when programs to help the jobless and disadvantaged were enacted are demanding "full speed ahead" in dismantling them.

"Workers who have been unemployed for long periods of time face more than termination of unemployment benefits," Kirkland noted. "Cuts in welfare and food stamp programs will further reduce their families' standard of living. Cuts in job training and public service jobs programs eliminate opportunities to increase their chances of employment. Cuts in medicaid and housing programs would jeopardize their health and shelter."

The Senate committee also has jurisdiction over education programs, and American Federation of Teachers President Albert Shanker spoke of the impact of the proposed budget cuts on the schools.

FEDERAL AID to public elementary and secondary schools has been cut more than any other area of government spending, Shanker noted. In addition, he said, "one-half of the cuts of the Dept. of Agriculture come out of the Child Nutrition Program."

UAW President Douglas A. Fraser said the Administration's proposed cutbacks "could not come at a worse time" for workers in the auto and parts supplier industries.

He spoke of the direct effect of cutbacks in trade adjustment assistance and unemployment insurance, and the compounding of problems for recession-hit communities through elimination of CETA jobs, cuts in urban assistance, mass transit, school aid, housing and health services.

SEN. EDWARD M. Kennedy (D-Mass.), the ranking minority member of the now Republican-controlled Senate Labor & Human Resources Committee, said the Democratic Forum intends to focus on achieving equity in what he considers the inevitability of budget cuts.

There have been no complaints about the budget from the oil industry, Kennedy noted. "No industry, no region and no state should be given special privilege—or forced to bear a special burden," he declared.



AT HOUSE HEARINGS, AFL-CIO President Lane Kirkland outlines labor's alternatives to budget cuts sought by the Reagan Administration. With him are Legislative Director Ray Denison, left, and Research Director Rudy Oswald.

Union-Busting Consultant Hit By NLRB on Illegal Campaign

Milwaukee, Wis.—The National Labor Relations Board has charged a management consulting firm with a reputation as a union-busting operation with unfair labor practices on an employer's behalf during a hospital organizing drive.

In a complaint issued here against Modern Management Methods, Inc., the NLRB regional office said that 3M, as the company is commonly called, independently violated the National Labor Relations Act "by its having complete control and use of supervisory personnel at St. Francis Hospital in a systematic anti-union campaign. . . ."

THE NLRB complaint accused 3M of directing "illegal interrogations, promises of benefits, promises of improved conditions of employment, and threats of reprisal against employees for engaging in union activities, which actions all prevent employees from freely exercising their right to make a decision as to union representation in an untainted atmosphere."

The St. Francis Federation of Nurses & Health Professionals, an affiliate of the American Federation of Teachers, lost an October 1979 election among the Milwaukee hospital's registered nurses by a 100-95 vote.

A three-member NLRB panel set aside the election last summer, finding that the hospital had unlawfully intimidated workers, promised benefits for voting against the union by announcing a 10-percent wage increase to take effect after the election, and solicited and promised to remedy grievances. The union filed unfair labor practice charges against the hospital, and sought a bargaining order.

The union also filed charges against 3M, alleging that the firm was independently responsible for the various unfair labor actions committed by hospital supervisors.

NLRB REGIONAL Director George Squillacote said the complaint is believed to be the first authorized against the firm. Various unions have accused 3M of violating worker rights.

Squillacote said the St. Francis case would test the validity of such charges. Hearings before an NLRB administrative law judge are scheduled to begin on Apr. 20.

Squillacote said that the "uniqueness of this matter is in the allegation that 3M is responsible as a separae entity, or at least as a co-employer rather than merely as an agent, for the violations committed by supervisory personnel at the hospital."

HE ADDED that the case would not apply to a normal relationship in which a consultant advises a client in its labor relations.

Rather, the case stands on its own facts, "indicating that 3M was given and exercised daily intimate and independent direction of the supervisory personnel" at the hospital, he said.

Broad Coalition Challenges Slashes in Key Programs

(Continued from Page 1)

norities would suffer disproportionately from reductions in food stamps, termination of job training programs, rent increases for subsidized housing and reduction of unemployment compensation for the long-term unemployed.

Marvin Meek, national chairman of the American Agricultural Movement, said he had campaigned on behalf of President Reagan in 34 states but now was prepared to work with the labor movement and other coalition partners to see that promises to labor, agriculture and consumers are kept "and to insure that rights of the truly needy are protected."

Nancy Neuman, director of the League of Women Voters, said members of her good government organization throughout the country "are in a state of disbelief and dismay over the shortsighted nature of many of the Administration's announced budget cuts."

SHE SAID projected cuts will frustrate the hopes of the poor "for ever getting out of the cycle of welfare dependency" and "take food out of the mouths of children of the working poor." Environmental cuts will have "grave consequences" and some foreign assistance cuts "are equally myopic," she said.

Leon Shull, director of Americans for Democratic Action, said the effect of the Reagan economic program would be "to transfer wealth from the workers, the middle class and the poor to the corporations and the rich."

Althea T. H. Simmons, Washington director of the NAACP, said the Administration proposals would further increase "the economic inequities that presently exist between the rich and the poor and between blacks and whites." She said the NAACP "will be an active part of this coalition and will call its leadership in to lobby on Capitol Hill."

McALPINE OF THE Urban League said his organization has just completed an assessment of the President's economic recovery plan that found that minorities and the poor would bear a disproportionate burden and that block grant consolidation of federal education, health and social services programs "would result in vastly inferior services for minorities and other disadvantaged groups."

John Gunther, who represented Steering Committee member Richard Hatcher, mayor of Gary, Ind., and president of the U.S. Conference of Mayors, said cities don't have the resources to take up the burden that the Administration wants to shift from the federal government to cities and states.

On elimination of CETA public service jobs, he noted that in New York about 8,900 of 11,000 CETA workers were on welfare before they got CETA jobs. "They will be back on welfare or unemployment compensation," he warned.

STEPHEN BROBECK, director of the Consumer Federation of America, said the Administration program would "cripple the enforcement of pro-consumer and pro-worker regulations" and "eliminate federal programs highly beneficial to consumers and to low-income families."

Other members of the Budget Coalition Steering Committee on hand for the news conference were UAW President Douglas Fraser, Msgr. George G. Higgins of the U.S. Catholic Conference, and Karen E. Spellman of the National Urban Coalition.

The cooperating organizations pledged to seek alternatives that would avoid "the unnecessary and unwise destruction of social and economic advances achieved in the past 50 years."

U.S. Court Overturns Federal Parking Fees

Government Employees President Kenneth T. Blaylock praised a federal district court finding that government-imposed parking fees on federal workers are illegal.

Judge Harold H. Greene, in granting summary judgment on behalf of the AFGE, said President Carter acted "without proper authority" in 1979 when he imposed parking fees on federal workers. He ordered a halt to the fees and said he would rule later on whether workers should be repaid past fees.

Bommarito to Take a Walk —Enlists Cheering Section

Akron, Ohio—Rubber Workers President Peter Bommarito has challenged the chairmen of the board of each of the major U.S. rubber companies to accept his latest proposals. This time, however, the union president isn't bargaining for wages or working conditions for his members.

In a letter to each company, Bommarito asked its chairman to sponsor him in the March of Dimes national WalkAmerica scheduled for Apr. 26 to raise money for the prevention of birth defects.

"In conjunction with that program," Bommarito said, I am prepared to fulfill one of management's frequent requests. I will take a long hike." He said he has volunteered to walk some 30 kilometers, about 18 miles, and asked each executive to pledge "a substantial contribution per kilometer."

Management can reap a secondary benefit from the event, Bommarito said, pointing out that since he has recently recovered from knee surgery following a fall, the March of Dimes walk, "gives you a rare opportunity to satisfy any secret (or expressed) desire you may harbor to see me suffer while at the same time being secure in the knowledge that you are doing a great deal of good."

Something Is Wrong

THE ORGANIZATIONS represented here today, and the other co-sponsors of this statement, believe in a healthy, prosperous nation and a stable, growing economy. Along with all other Americans we are disturbed by the destructive forces of inflation, joblessness, energy instability and high interest rates and we strongly support programs that can bring them under control.

Each organization represented here has studied the proposals of the Reagan Administration to reshape the budget, and it is our united belief they will not make America healthier and, instead, could make America weaker.

THESE PROPOSALS do not set forth a period of belt-tightening shared by all, after which America can again grow and prosper at all levels of our society. Instead, many vital programs are marked for extinction and others will be hopelessly crippled.

We believe that something is basically wrong when programs assisting hard-pressed moderate-income working Americans and those living at or under the federal poverty level, but who presumably are not "truly needy," are decimated or destroyed to finance individual tax cuts benefiting primarily the top 20 percent of taxpayers.

America's minorities, women, seniors and disabled, would be among those drastically hurt. Furthermore, cuts in Medicaid, food stamps, unemployment insurance, and other life-support programs place gaping holes in the "safety net" the Administration pledged to maintain.

We believe something is basically wrong when federal budget reductions simply shift the tax burden for essential services, such as health and human services, sewer and road construction, education, economic development and income maintenance to state and local governments. No real fiscal improvement for the nation or the taxpayer is achieved.

WE BELIEVE something is basically wrong when budget cutbacks result in increased costs to all consumers regardless of their ability to pay. Federal assistance to transportation systems, utilities, construction, postal service and others would be replaced by higher fares, higher rates and higher user fees—or higher local taxes.

We believe that this nation can find solutions to the problems of high inflation, high interest rates, high energy costs and high unemployment which will not create unfair hardship on any one group of Americans. We believe the Reagan Administration proposals will not solve these problems, but could wreak great damage to the fabric of this nation.

Today we are aligning ourselves in a national coalition to urge that alternative and constructive solutions be proposed to these genuine and difficult problems and to carry out a fight against the unnecessary and unwise destruction of social and economic advances achieved in the past 50 years.

—Statement of Budget Coalition comprising 157 organizations, including the AFL-CIO, adopted Feb. 27, 1981, Washington, D.C.

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THOMAS R. DONAHUE, *Secretary-Treasurer*
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'Jump! We'll Catch You!'



Demand Mounting

U.S. Faces Critical Shortage Of Scientific, Technical Talent

By Gus Tyler

BY 1985, AMERICA will be garroted by a critical shortage of scientists, technicians and engineers. Indeed, the shortfall in talent is hurting us right now. In the next few years, the scarcity will turn scary.

Companies are coming to schools in search of trained personnel in these technical areas. The colleges and universities respond that they are short on graduates from their engineering and allied schools. When the corporations ask, unbelievingly, why there is a shortage, the academies answer that they cannot turn out all the students they would like to because the companies have been draining away the faculties to work for the companies.

WHEN I FIRST heard this story from a man high in American education, he asked: "Isn't it stupid of these companies to expect to get more engineers from the schools when these same companies are busy stripping us of our teachers? You wonder why they do this."

"Because they need engineers," I suggested.

At present, academia has been bled so badly that it is seeking high and low to fill some 2,000 vacancies in engineering faculties.

THE REASONS for the shortage are double: higher demand and less supply. The supply is low because, several years ago, when the government cut back on its space programs, young people felt that the age of hard sciences was over and that it was time to turn to the hard-boiled crafts, like law. So they dropped Euclid and picked up Blackstone.

Then came the demand—for alternative sources of energy, for making the nuke a bit safer, for guaranteeing product safety, for controlling quality of manufactured commodities, for coping with industrial poisons, for cleaning up the environment.

MORE RECENTLY, the demand for computer scientists has zoomed. As we move into the age of micro-electronic computerized robots, more trained personnel will be needed to program the computer. We have the hardware (the machine) and plenty of it; but we lack the software (the systems). At this moment, a computer scientist, fresh out of undergraduate school, can command a salary of $30,000 a year.

This scientific anemia was predictable. Indeed, it was predicted. About ten years ago when I was serving on a manpower commission of the National Research Council, I listened to a low-key presentation on the coming crunch: not enough trained brains to meet our energy needs, not enough teachers, researchers, innovators, engineers, programmers, repair persons.

By 1973, after the oil squeeze, it was abundantly, even painfully, clear that we would have to shift to new sources of energy and that we would have to start immediately to prepare personnel for the crucial days ahead.

But we have hardly moved at all to respond—not only to develop the needed people for the professional operations but also to train blue-collar workers. If we were to embark on a program of energy independence by installing adequate facilities, we wouldn't have enough pipefitters, sheet metal workers, iron workers, electricians, etc.

SO WHY haven't we responded? Mainly, because there is no "we." All the power a research council has is to study and state. It cannot order or finance. Corporations go about their daily chores, rarely seeing beyond their most immediate nose. If they need more engineers, they pirate them.

What is lacking is a government with a vision, a guiding intelligence and coordinating power, poking and prodding and putting things together so that business and the schools can ready us for tomorrow.

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Full Measure of Quality!



UNION LABEL AND SERVICE TRADES DEPT., AFL-CIO

Kirkland's Commentary

Reagan's Economic Program Fails Tests of Justice, Equity

The following article by AFL-CIO President Lane Kirkland appeared in the New York Times business section, Mar. 1, 1981.

By Lane Kirkland

AMERICAN WORKERS share the economic goals announced by the President—less inflation, more jobs, improved productivity, stronger industries and more effective government.

But the President's program cannot achieve those goals. Its tax approach favors the rich and the budget cuts fall most heavily on the low- and middle-income families. It fails every test of justice and equity. Even the so-called across-the-board business tax cuts will flow to richer industries rather than to those that truly need help.

IN BLENDING the untested theories of supply-side economists, who hold that salvation lies in giving free rein to industry, with the traditional doctrines of monetarists, who advocate high interest rates, tight money and balanced budgets, the Administration is, in effect, yoking optimistic guesswork to proven failure.

To assume that tax cuts and depreciation speedups will, in themselves, encourage workers to work harder, suppliers to supply more goods and investors to invest more constructively is what Dr. Johnson, in another context, called "a triumph of hope over experience."

No doubt there are some who might increase their efforts and incomes if lower taxes made it more worthwhile to do so. The vast majority of salaried and hourly rated workers have no such option. Driven by inflation, they are already working to capacity to meet their bills.

THERE IS NOT the slightest evidence that more money will induce a heavy investment in common stocks and away from speculation in real estate, gambling casinos, antiques and other rapidly appreciating "collectibles."

And what manufacturer in his right mind would jump on the supply-side bandwagon when much of his productive capacity is already idle, when his shelves are heavy with unsold inventories, interest rates hover near 20 percent and government policies aim at further tightening of the demand side? How, for instance, can supply-side economics help an auto industry that has many times more cars than customers?

The problem is not lack of supply. And yet, while cheering on the supply side, the Reagan Administration adopts budget policies certain to destroy at least a million more jobs, which translates into two or three times that many fewer potential customers.

AS STRUCTURED, the Administration's business tax changes would channel the lion's share of benefits to the industries and companies that need it least. For new and marginal enterprises the package offers little or nothing. The richest companies would find it more profitable to continue their "corporate acquisition" programs and to continue moving more and more jobs from areas where unemployment is already high than to increase production or introduce new products.

Experience with the oil industry's handling of its grossly inflated profits should make it clear that more money does not bring new ideas, new jobs and productive investment. If the past is any guide, we can expect only new waves of mergers and takeovers, more predatory exercises in conglomeration and monopoly.

No important decision is ever based on tax incentives alone. Any business contemplating an investment in the South Bronx, for example, is likely to care much more about the quality of police and fire protection than about tax rebates. Therefore, the Administration's approach to urban programs offsets any hope of better days ahead for the cities.

THE MOST DANGEROUS of the false assumptions that underlie the Reagan program is the notion that the network of social programs that has been erected over the last half-century is an expendable luxury that can be demolished without injury to the nation's economic and social fabric.

Those who remember the conditions that made those programs necessary will tolerate no return to the suffering they relieved and the injustices they rectified. We know that by any realistic assessment, the resources and capabilities of our economic system are more than adequate to the needs of all the American people.

The Administration's income tax proposals, like the other parts of its domestic policy package, are heavily loaded in favor of those who have much and against those who have little.

A family earning $10,000 a year would get a tax break of $52 in the first year of the Reagan program. A family earning $30,000 would get not three times the tax benefit of the poorer family, but nearly 7½ times. The family earning $100,000—10 times as much—would get tax benefits at least 35 times larger.

RATHER THAN giving 60 percent of the tax cut to 20 percent of the taxpayers, as the Administration proposes, the AFL-CIO urges a refund of 20 percent of social security taxes. The $10,000 family would receive a benefit of $134. The $30,000 family and the $100,000 family would benefit by $395 each. Sixty percent of the tax cut would go to 80 percent of the taxpayers.

A humane society requires a decent measure of concern for the old, the young, the disadvantaged and the deprived. A rational society requires tax policies and investment policies targeted to meet demand—for housing, transportation, energy, medical care and food.

With the aid of all the allies we can find, the AFL-CIO will call these facts to the attention of the Congress and the American people in order to restore humane and rational policies to what we still believe is a government of, by and for the people.

Washington Window

By Press Associates, Inc.

AMONG THE MOST unfortunate examples of the meat-ax approach to budget-cutting is the National Consumer Cooperative Bank, an innovative institution which quietly has been doing some fine things for consumers with a small but necessary boost from Uncle Sam.

Now comes the Reagan Administration's budget cutbacks which, ironically, would smother in the cradle the year-old Co-op Bank despite the bank's orientation toward the conservative values embodied in America's time-tested cooperative movement—values like local self-help and market enterprise and non-big government.

Further, the bank fits right in with the Administration's announced aim of fighting inflation. It does so by helping co-ops around the country provide consumers with reasonably priced and high-quality food and housing, health care, child care and other services.

LAUNCHED IN March 1980, the Consumer Cooperative Bank has moved toward filling a gaping hole of needs unmet by the commercial marketplace.

Traditional lending institutions tend to turn a deaf ear when approached by worthy consumer co-ops seeking loans to get started, expand operations or stay afloat. Bankers and others often are ignorant or mistrustful of the very idea of co-ops despite their honorable history dating back to colonial times. More recently, the movement has had wide success among rural producer and electric cooperatives since the 1930s.

Today, neighborhood food co-ops have become especially important at a time of soaring food prices and when supermarket chains are abandoning central city areas.

Housing co-ops also are needed more than ever during the current wave of condominium conversions so that tenants can avoid being displaced from their homes.

MORE RECENT trends in the cooperative movement have followed growing needs in the areas of health care, child care and even auto repair and home improvement.

The Co-Op Bank so far has approved more than $81 million in loans to co-ops of all sizes and in dollar amounts ranging from several thousand to more than a million. An additional $3 million in loans has been approved from the bank's "self-help fund" which in some cases provides working capital at lower than prevailing market interest rates. These loans are earmarked for co-ops run by or for low-income people as well as co-ops just starting out and ones in temporary financial trouble.

Borrowers from the Co-op Bank automatically become shareholders who eventually will elect all but one of the bank's 15-member board of directors, now appointed by the President. The bank's eight regional offices provide local access.

THE LABOR MOVEMENT, no stranger to the cooperative movement over the years, has been showing a growing interest in the Co-op Bank and in co-ops in general. Harry Kaiser, in charge of labor liaison for the bank, reports that some unions are taking steps to sponsor cooperatives—a move he strongly recommends as "a membership service, an organizing tool, and a way to build stronger ties between the membership and the local."

Proponents of the bank point out that the $400 million provided for the Co-op Bank's capitalization over a five-year period is not a government subsidy but a loan to be repaid to the Treasury with interest. The bank, they note, already is on the way to achieving its goal of becoming self-sustaining.

Thus, the Reagan Administration's plan to put the bank out of business by terminating further funding—about $82 million for the rest of this fiscal year and $128 million for Fiscal 1982—seems penny wise and pound foolish.

Filing for Federal Aid

Labor-Senior Citizens Project Assists Needy on Utility Costs

UNION MEMBERS in communities throughout the nation are assisting the National Council of Senior Citizens in its effort to help the elderly, disabled and poor families ease the impact of soaring utility costs.

That report was made on Labor News Conference by AFL-CIO Social Security Director Bert Seidman and NCSC Energy Adviser Esther Peterson, who stressed the importance of an outreach effort to assure that eligible persons get the utility cost help they desperately need and are entitled to receive.

Seidman pointed out that "older people are particularly vulnerable to illness and even death, as a result of both extreme cold and extreme heat," but often can't afford the oil, gas or electricity it takes to maintain healthful living conditions. The federal help made possible by the windfall oil profits tax adopted last year could be "the difference between life and death," he said.

Peterson said the NCSC outreach effort, dubbed Project Energy Care, is mainly an information program to seek out low-income citizens and help them through the process of application and qualification for federal aid.

SHE POINTED OUT that the Low-Income Energy Assistance Program procedures are determined by the states and localities that receive the federal grants and may differ widely from area to area. It is critical to have people at the grass roots who can sort out, understand and help guide desperately needy people through the local regulations, she noted. Union members are assisting through efforts coordinated by local AFL-CIO central bodies and the federation's Community Services organizations.



UNION VOLUNTEERS are participating in the National Council of Senior Citizens' Project Energy Care, aimed at helping the elderly and poor families get federal assistance in meeting their soaring utilities bills, AFL-CIO Social Security Director Bert Seidman, second from left, and NCSC Energy Adviser Esther Peterson, second from right, said on Labor News Conference. Questioning them were Diane Brockett of the Washington Star and Calvin Zon of Press Associates, Inc. The AFL-CIO public affairs interview is aired weekly on Mutual radio.



PERFORMING ARTS union officials welcome Ndem E. Ekpe, general secretary of Nigeria's Radio, Television & Theater Workers Union, during a visit to New York. From left: Executive Sec. Williard Swire of Actors' Equity, Ekpe, Executive Sec. DeLloyd Tibbs of the Musical Artists, and President Frederick O'Neal of the Actors & Artistes.

Long Printing Strike Ends As New Owner Signs Pact

Mount Morris, Ill.—Kable Printing Co. is back under a union contract after a long-running experiment with Boulwarism that precipitated a six and one-half year strike by the Graphic Arts International Union.

The strike-settling agreement signed last December with Kable's new owner, Providence Gravure, was widely welcomed by Mount Morris's 2,900 residents. Kable is the town's principal employer.

"THIS SETTLEMENT makes a whole new perspective for our community," said Mount Morris Mayor Donald Mulcay. The strike and subsequent closing of the magazine and catalogue printing plant had a deep economic and ideological impact on the residents.

"The strike tore the town apart in every way because Kable is the main source of everything here," said President Lamont Gaston of GAIU Local 91-P.

Photoengravers of Local 91-P and bookbinders of Local 65-B were forced to strike Kable on May 10, 1974, when a previous owner, Western Publishing Co., attempted to force an inferior contract on them with a take-it-or-leave-it ultimatum, the hallmark of Lemuel R. Boulware.

THE COMPANY'S proposal was the brainchild of M. Melvin Connolly, a follower of Boulware's bargaining philosophy, who had been hired as Western Publishing's labor relations director.

Boulware had been the force behind the hard-nosed, bad-faith bargaining approach at General Electric Co. that triggered a number of long and bitter strikes.

Western Publishing's use of Boulwarism precipitated other disputes and led to the closing of other plants in its chain. In 1979, Western Publishing sold the printing operations to Mattel Co., the toymaker. But soon after Mattel discovered the serious labor relations problems at Kable, it sold the plant in 1980 to Rhode Island-based Providence Gravure, a firm that the GAIU has had an amicable bargaining relationship with for a number of years.

THE SETTLEMENT worked out with Kable's new owner is patterned closely after an agreement covering the GAIU members in Providence, R.I.

GAIU won almost every lawsuit it brought against Western Publishing for failure to bargain in good faith and other issues.

Program Assists Workers Seeking Higher Education

A program to link workers with higher education opportunities has been launched by the Labor Institute for Human Enrichment, Inc., the research and education arm of the AFL-CIO Dept. for Professional Employees.

The project, called Labor Education Advisory Services (LEAS), is supported by a grant from the Fund for Improvement of Post Secondary Education of the U.S. Education Dept. LEAS activities will include providing technical help and information to unions and their members who are interested in taking advantage of higher education programs.

IN ADDITION, LEAS will encourage educational institutions to develop and improve programs accessible to workers.

The AFL-CIO Dept. of Education will work closely with the project which has also been endorsed by the Teachers, the Government Employees, Graphic Arts International Union, Professional & Technical Engineers and the Electrical, Radio & Machine Workers. Mayer Rossabi, labor studies director at New York's Manhattan Community College, will head the program.

LEAS WILL act as a clearinghouse for information and research related to adult workers and education, Rossabi said, and will "encourage union members to take advantage of the millions of dollars available to them through tuition assistance provisions in the contracts negotiated by their unions"

Democrats Critical

Economic Panel Divides On Reagan's Proposals

Democratic members of the congressional Joint Economic Committee, differing sharply with the Reagan Administration's economic program, called for more moderate monetary and budget policies and heavy emphasis on structural reform to lower unemployment and shrink inflation.

Splitting with the committee's Republicans, Democrats led by Chairman Henry Reuss (D-Wis.) called for a tax policy of "immediate relief for the low- and middle-income class" to offset the recent increase in social security taxes.

THEY CHARGED that President Reagan's proposed three-year, 30-percent tax cut "favors the affluent," and could prove to be inflationary. As for spending cuts, these should be made "without destroying those programs which fight inflation and unemployment."

The JEC statement also opposed the Administration's view that the Federal Reserve Board should continue to lower its money supply targets this year.

"Interest rates are too high now, and will remain too high if the Federal Reserve continues to tighten its monetary targets even though control over inflation has not been achieved," Reuss said. "Excessively high interest rates will retard investment, growth, and control over federal expenditures."

FOR THEIR PARTS, the 10 GOP members of the 20-member panel espoused an economic plan identical to Reagan's. The JEC Republican group called for across-the-board tax reduction, cuts in government spending, easing of regulation, and a tight-money policy.

In the recent past, committee members of both parties were virtually unanimous in their annual economic recommendations. The panel's 1981 report with its different positions mirrors the debate over economic policy now under way.

"The Administration says the budget must be cut. So do we," said Chairman Reuss, speaking for the JEC Democrats, "provided that the cuts are sensible and fair.

"The Administration says that the growth of money and credit must be controlled. So do we, but we recommend specific action for bringing interest rates down now. The Administration wants a vast personal income tax cut. . . . We favor more modest tax cuts, less oriented toward the wealthy."

COMMITTEE MEMBERS of both parties agreed in principle to the Reagan plan to cut the growth of federal spending. Democrats urged, however, that the program be designed to "reach full employment without inflation," a reference to implementation of the 1978 Humphrey-Hawkins Full Employment & Balanced Growth Act, which the Administration has ignored in its economic discussions.

Budget policy should be one of "moderate restraint," which would be intended to "exert a slow braking force on our rate of inflation," the Democrats said. They also advocated:

- "An expenditure policy which will bring control over spending and the budget, and that will do so fairly, equitably, and without destroying those programs which fight inflation and unemployment by supporting investment and creating jobs.
- "A firm commitment that government tax and spending actions should not increase poverty or reduce the share of income received by the middle classes."

Safety Check Not Trespass, California High Court Rules

Sacramento, Calif.—A unanimous California Supreme Court ruled that union representatives conducting contract-sanctioned safety inspections of a housing construction site cannot be prosecuted for trespassing.

The decision overturned rulings by lower courts holding that two Carpenters' shop stewards were guilty of violating the state's industrial trespass law.

In writing the high court decision, Justice Matthew O. Tobriner concluded that "collectively bargained safety and health provisions have little meaning if employee representatives can be ousted from the jobsite," particularly in an industry "where working conditions may be extremely hazardous."

If employers or third parties were permitted, in violation of the collective bargaining agreement, to prosecute union officials for carrying out these inspection duties, the contract "becomes unenforceable and a dusty dead letter," the court declared.

The case involves two shop stewards for the Ventura District Council of Carpenters who went to a construction site where three subcontractors that have agreements with the council were building 30 new houses.

HOWEVER, the council did not have a contract with Stonecraft Homes, the owner of the property. An agent of Stonecraft interrupted the safety inspection and asked the stewards to leave. They said they would leave as soon as the inspection was completed.

Stonecraft called the police, but the officers who responded to the call declined to arrest the union inspectors. The owner then made a citizen's arrest and the two Carpenters' officials were convicted of trespassing under the state criminal code and sentenced to a fine of $100 or four days in jail. The ruling was upheld in a second court.

BUT IN overturning the two lower court rulings, the state Supreme Court held that the provision of the law protecting union representatives engaged in lawful activity should be extended to private jobsites as well.

The trespass law "may not be used to frustrate legitimate union activities on private premises, at least in instances in which no significant property interest is threatened," Justice Tobriner wrote.

Supermarket Chains Scored On Employee Data Surveys

The Food & Commercial Workers accused two large supermarket chains of using surveys to solicit information from employees that can be used against them and their fellow workers.

The UFCW said the chains involved were Safeway, the largest food chain in the nation, and Dominick's, a chain with stores in the Chicago area but a part of the Ohio-based Fisher-Fazio group. Although the two chains used different management consultants to circulate the surveys, the union said employees at both companies were asked about "the sins of their fellow employees and the transgressions of store managers."

"WHAT IS SO insidious about both surveys," said UFCW President William H. Wynn, "is that they ask for so much personal information that it is easy to identify each employee. It really isn't hard to figure out who the employee is when you know their store number, sex, race, years on the current job, age, seniority, weekly hours total, job classification and department."

Wynn explained that the union is instructing its members to refuse to return the questionnaire to their employers.

"This is a clear violation of the Taft-Hartley Act and a ploy by management to pit worker against worker and worker against store manager," he said. "The companies are obviously gathering this information as ammunition against their employees, including supervisory help. Such tactics on the part of major employers such as Safeway and Dominick's make a mockery of the entire collective bargaining process."

FROM THE TENOR of the questionnaire circulated by Safeway, Wynn said it "seems obvious that data will be used in negotiations. Employees are invited to evaluate benefits as well as tell management what they think Safeway's profit ratio really is. The most childish question of all is one which demands that employees tell management whether they think the union or Safeway provides health benefits."

One UFCW member in the Richmond, Va., area who answered all 274 questions in the Safeway survey reported to his local union that it took two and a half hours of concentrated effort.

Court to Hear NLRB Cases On Exclusions

The Supreme Court has agreed to rule on two cases that could have a significant impact on the organization of office employees.

Both cases involve an employer attempt to deny office employees the right to union representation on the grounds that the workers have access to information the company considers "confidential."

IN EACH OF the cases, the National Labor Relations Board held that the employees involved were protected by federal labor law, since the supposedly confidential information they deal with did not involve labor policies or collective bargaining issues. In both cases, the 7th U.S. Circuit Court of Appeals rejected the NLRB position and sided with the company.

One case involved the secretary to the general manager of a Rural Electric office in Indiana, who was fired after she joined other employees in signing a petition protesting the firing of a fellow-worker who had lost his arm in a work-related accident.

THE OTHER case involved the refusal of the Malleable Iron Range Co. at Beaver Dam, Wis., to bargain with a unit of 18 clerical and technical workers on the ground that they were "confidential employees."

In another matter, the Supreme Court declined to review and thus made final a decision by the 4th Circuit Court of Appeals holding that Eastern Airlines could not routinely ground a stewardess during the first 13 weeks of her pregnancy but could bar her from flying duty thereafter.



AMERICAN-BUILT ships are essential to meet the nation's merchant and military marine needs in the coming years, the AFL-CIO Metal Trades Dept. declared at its board meeting in Florida. Leading discussion of programs to improve U.S.-built seapower is Department President Paul J. Burnsky, right foreground.

Funds Raised for Kin Of Iran Rescue Team

Glen Burnie, Md.—Three local unions raised more than $3,500 in voluntary donations at the Westinghouse Corp. plant here for a scholarship fund for children of seven servicemen killed last year in an attempt to free American hostages in Iran.

Westinghouse agreed to chip in a matching amount, boosting the total contribution to more than $7,000.

The effort was spearheaded by top officers of the three locals—Thomas J. Rostkowski of International Brotherhood of Electrical Workers' Local 1805, Kenneth P. Biebel of Electrical, Radio & Machine Workers' Local 130 and Gus A. Geppi of the unaffiliated Westinghouse Salaried Employees Association.

Union-Industries Show to Open in Baltimore May 8

The AFL-CIO Union-Industries Show will open May 8 for a six-day run in the Baltimore Convention Center. The show is produced and managed by the AFL-CIO Union Label & Services Trades Dept.

More than 200,000 visitors are expected to attend the free exhibition which is held in a different major city each year, ULSTD Sec.-Treas. Earl D. McDavid said. The show, the 36th staged by the department since 1938, will feature some 300 craft and skill demonstrations and displays prepared by AFL-CIO union members and their employers.

Activities are designed to highlight the skills, services and products union members provide to consumers, McDavid said, pointing out that the show's theme, "Progress through Cooperation," sums up "the advantages to workers, employers and the public of the collective bargaining process."

More than $100,000 in gifts and free samples will be given away during the show, McDavid said. The prizes will range from food products to appliances, boats, television sets and musical instruments.

For the first time, a meeting of the AFL-CIO Executive Council will be scheduled in conjunction with the show. The council will meet in Baltimore May 7 and 8. Also, the AFL-CIO Secretary-Treasurers' Conference will meet May 11 and 12 in Baltimore during the show.

Unions Rally Wide Support For Striking NABET Local

New York—A small local of the Broadcast Engineers & Technicians is getting a big boost from organized labor in its bitter dispute with radio station WMCA here.

Of the 13 original producers and telephone screeners who struck the station last Nov. 24, only one remains today. Those now on strike are the third group of workers since NABET Local 11 was certified as bargaining agent over three years ago.

"THROUGH FIRINGS, layoffs, harassment and coercion, the company has been successful in forcing a heavy turnover of personnel," Strike Coordinator Arthur Kent declared. Kent said the strike was touched off by station owner R. Peter Straus's insistence on "union-busting" clauses in the initial contract between the union and the station.

The Conference of Motion Picture & Television Unions—a group of 18 unions in the entertainment industry—has come out strongly in support of the NABET strikers and has urged Straus "to consider the effect of the anti-labor image of WMCA from this strike and take the required steps to begin bargaining in good faith to resolve this grevious matter."

Since the strike began, several program sponsors have stopped using WMCA for commercial messages.

OTHER SUPPORT has come from the Communications Workers, the Newsday unit of the Newspaper Guild, the New York City Central Labor Council, and the Teamsters.

In addition, media luminaries such as ABC-TV's Barbara Walters have refused to appear on the station's talk shows. WMCA is a seven-day, 24-hour all-talk station owned by Straus Communications, Inc. Board Chairman Straus is former head of the International Communication Agency's Voice of America (VOA).

Kent said he finds it ironic that Straus has refused to grant his employees the same rights that the VOA urges upon governments behind the Iron Curtain.

"THE MAIN ISSUES that caused the strike are basic union security clauses that are in all union contracts in the broadcast industry," Kent observed. He charged that Straus is holding out for contract provisions that would permit subcontracting of union-covered work, eliminate the union's right to arbitrate discharges, and cut out seniority rights.

"He just doesn't want the union in there," Kent declared.

The workers, who make guest-bookings, handle other program arrangements, and screen incoming phone calls, are grossly underpaid, Kent charged. The highest-paid WMCA producer makes only $210 for a $40-hour week, while other employees earn as little as $150. One-third of the workers are blacks and Hispanics. Compensation in other NABET units ranges from $350 to $490 for comparable classifications, Kent said.

The National Labor Relations Board found the station guilty of unfair labor practices when Straus withdrew recognition from the union and refused to bargain. The ruling was uphelid by the 2nd U.S. Circuit Court of Appeals, but the employer has not gone beyond "surface bargaining" with NABET's negotiators.

Gleason Tells Senate Panel Of ILA's Accomplishments

The International Longshoremen's Association is a democratic trade union that has achieved landmark gains for its members and has cooperated fully in government investigations, ILA President Thomas W. Gleason testified at Senate hearings.

Gleason told the Senate Permanent Subcommittee on Investigations that he welcomed the opportunity to testify because "outrageous statements" seeking to link the ILA to organized crime "should not be permitted to go unchallenged."

THE ILA PRESIDENT, who is 80, told the panel how he went to work on the West Side piers in New York at the age of 15 for 10 cents an hour, how he joined the ILA at the age of 19, and was blacklisted in 1932 for his union organizing activities. He moved up through the ranks to become president in 1963, he testified.

Gleason denied "emphatically, categorically and without any reservation whatever," allegations that the ILA is dominated by organized crime figures.

As to his election to the ILA presidency, Gleason testified: "I neither received my office nor do I maintain my office by any means but through election by the rank and file of the union."

Gleason recited with pride the ILA's pioneering achievement in negotiating a guaranteed annual income program, establishing a comprehensive health care program and network of clinics, a well-funded pension program, and achieving enactment of vital workers' compensation legislation.

THE UNION has eliminated geographical wage differentials, he said, and has obtained "real" civil rights through access of blacks and other minorities "to decent, well-paying, productive jobs."

Where union officials, after due process, have been finally convicted, they are punished according to law, Gleason said. But the union should not be smeared, he urged, by "distortions and half-truths" from "ill-informed and unreliable witnesses" who have testified before the panel.

CONVENTIONS

The Arkansas State AFL-CIO will hold its 1981 convention June 22-24 at Hot Springs.

The Delaware State AFL-CIO will hold its convention Sept. 18-19 at Wilmington.

The Michigan State AFL-CIO will hold its convention Aug. 31-Sept. 3 at Dearborn.

Karl Feller Dies, Led Brewery Union

Cincinnati—Karl F. Feller, director of the Teamsters' Brewery & Soft Drink Conference and a former AFL-CIO vice president, died Feb. 5 of lung cancer. He was 66.

Feller became president of the Brewery Workers in 1949 when it was an affiliate of the CIO. Earlier, he had been a local president and business agent in Dayton, Ohio, as well as international organizer and secretary.

He was elected to the AFL-CIO Executive Council in 1957 and served as a federation vice president until the Brewery Workers were merged into the Teamsters and the union's affiliation with the federation was terminated in 1973.

Twenty-two locals, representing about one-fourth of the union's 40,000 members, rejected the merger plan and were chartered by the AFL-CIO as directly affiliated locals.

Economic Trend Indicators Down For 2nd Month

The government's index of leading economic indicators fell four-tenths of 1 percent in January, the second straight month of decline in this barometer of future trends in the economy.

The decline, which followed a drop of nine-tenths of 1 percent in December, was too small to prove that the economy is about to head into a downturn, however. Felix Tamm, a Commerce Dept. economist who specializes in the leading indicators, said the back-to-back decreases are "disturbing in a general way" but "definitely inconclusive."

Eight of the 10 indicators available for January moved adversely, with the greatest decline reflected in one of the indicators most sensitive to future economic activity —crude materials prices.

Other negative indicators were the layoff rate, new orders, the number of companies receiving slower deliveries, contracts and orders for plant and equipment, stock prices, and the money supply.

The two indicators that gave off positive signs were the average workweek and the change in total liquid assets.

Dunlop to Coordinate Talks

Labor-Industry Panel To Resume Dialogue

(Continued from Page 1)

business and labor communities to broaden its knowledge of issues, to improve the overall labor-management climate, and to communicate the results of its deliberations to its respective associates."

BESIDES KIRKLAND, the group's labor members include AFL-CIO Sec.-Treas. Thomas R. Donahue, Iron Workers President John H. Lyons, Plumbers & Pipefitters President Martin J. Ward, Steelworkers President Lloyd McBride, and President William H. Wynn of the Food & Commercial Workers. Other union leaders are expected to join the panel soon.

Management members include Chairman James H. Evans of the Union Pacific Corp.; President Philip M. Hawley of Carter, Hawley, Hale Stores, Inc.; Chairman Ruben F. Mettler of TRW, Inc.; President George B. Shultz of the Bechtel Group, Inc., the former Secretary of the Treasury and director of the Office of Management & Budget; General Motors Chairman Roger B. Smith; Chairman-elect John F. Welch of the General Electric Co., and CitiCorp Chairman Walter B. Wriston.

THE PANEL has its antecedents in a formal advisory group established in January 1973 to consult with then-Treasury Sec. Shultz and Dunlop, who was chairman of the government's Cost of Living Council at the time. Since then, the committee has re-emerged in basically the same shape under the Ford and Carter Administrations, but for its status. From early 1976 through 1978, it was a private organization with no ties to the government, which is the character of the new group.

An effort to reconstitute the unit began about a year ago. Kirkland attributed its successful revival in large part to the commitment shown to it by two management members of the most recently dissolved group, Irving Shapiro and Reginald Jones, chief executive officers of DuPont and General Electric, respectively, who retire this year.

Kirkland told reporters that he expects the new group to invite individuals from government and academic circles from time to time to share their views on issues, but stressed the committee's non-governmental charter. Predecessor groups delved into international trade, inflation, housing, escalating medical care costs, illegal aliens, taxes, and other issues.

THE PROCESS of joint exploration of these issues served to "sharpen our thinking and increase our understanding of the problems," Kirkland observed.

Garvin, expressing broad support for the joint panel from the business community, embraced Kirkland's remarks, adding: "The idea of a constant kind of dialogue makes sense. The fact that this group worked so well in the past is a sign that we ought to continue it."

The statement of purpose, unanimously agreed to by the AFL-CIO Executive Council at its winter meeting last month, recognized that the complexity of issues confronting the nation may not permit a group consensus on all matters, but where the parties differ they agree to respect each other's views.

"THE NATIONAL interest requires a new spirit of mutual trust and cooperation, even though management and organized labor are, and will remain, adversaries on many issues," the two sides agreed in their statement.



A JOINT LABOR-MANAGEMENT panel independent of government will seek consensus solutions to major economic problems confronting the nation, the group's principal officers said at a press conference to announce its formation. From left, they are Clifton C. Garvin, Jr., chairman of the Exxon Corp.; former Labor Sec. John T. Dunlop, and AFL-CIO President Lane Kirkland. Dunlop is coordinator of the group.

Democrats Elect Unionists to Key Committee Posts

Labor's representation on the Democratic National Committee was expanded with an increase of both at-large and DNC executive committee members from union ranks.

Fifteen of the 25 at-large members elected at the DNC's two-day meeting in Washington are union representatives. Thirteen of the 15 are from AFL-CIO affiliates.

OVERALL, labor increased the number of its DNC at-large members from 10 to 15 and expanded its representation on the 33-seat executive committee from three to five.

Labor representatives elected to the executive committee are Glenn Watts, president of the Communications Workers; Leon Lynch, vice president of the Steelworkers; Rachelle Horowitz, political director of the Teachers, and Sam Fishman and Bruce Lee of the Auto Workers.

The 15 labor at-large members, in addition to Watts, Lynch and Horowitz, are J. C. Turner, president of the Operating Engineers; William W. Winpisinger, president of the Machinists; Jerry Wurf, president of the State, County & Municipal Employees; Jack Otero, vice president of the Railway & Airline Clerks; Evelyn Dubrow, vice president of the Clothing & Textile Workers; Addie Wyatt, vice president of the Food & Commercial Workers.

ALSO, William C. Marshall, president of the Michigan AFL-CIO; Elizabeth Smith, legislative and political education director of the Clothing & Textile Workers; Florine Koole, an executive assistant on the CWA staff; Frances Martinez Bussie of the Louisiana AFL-CIO staff; Ray Majerus, UAW secretary-treasurer, and Marc Stepp, UAW vice president.

All 15 were on the at-large slate of Charles T. Manatt, who was elected DNC chairman.

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Correspondence about address corrections should be sent with attached mailing label to: Subscriptions, Room 209, 815 16th Street, N.W., Washington, D.C. 20006.

Idaho, Montana Legislators Reject 'Right-to-Work' Bills

(Continued from Page 1)

were led by the state central bodies to persuade local legislators to reject the union-busting proposals.

Idaho AFL-CIO President Robert Kinghorn credited the victory to the response of the state's 40,000 union members to the federation's calls for constituent action. A series of meetings conducted by the State AFL-CIO in January prepared union members to respond and generated a "record-breaking" volume of mail, telephone calls and personal visits to legislators asking them to oppose the bill, Kinghorn said.

More than 5,000 union members turned out for the Idaho House State Affairs Committee's Feb. 13 hearings to voice their opposition to the bill.

IN HIS OWN testimony, Kinghorn branded the so-called freedom-to-work bill a misnomer which guaranteed no one the freedom or the right to a job. The only purpose of such bills, Kinghorn said, "is plain and simple. To bust or weaken unions."

Kinghorn emphasized that "right-to-work" bills are supported mainly by such National Right to Work Committee, the employer-dominated organizations as the Chamber of Commerce, and by small business and agricultural associations who see such measures as a way to fatten profits by weakening labor's effectiveness.

AN EARLIER "right-to-work" proposal was defeated in Idaho in 1977 when the state senate insisted on adding an amendment unpalatable to the house. The labor-supported amendment would have given farmers and ranchers the right to refuse to pay assessments for services levied by the state's commodities commissions.

The Montana bill, introduced by "right-to-work" advocates, would have repealed the state's agency shop law governing public workers to substitute conflicting rules on public employees' rights to join or not join unions. Adequate laws already exist to protect those rights, unions pointed out.

The state federation led nearly 200 opponents of the measure into the committee's hearings on the bill at which some 40 witnesses testified against it. The bill was defended only by its sponsor, Republican James Burnett and two officers of Montana Citizens for Right to Work, Inc.

THE STATE AFL-CIO was joined in the fight to kill the bill by a coalition of public employee associations, public interest groups, the unaffiliated Teamsters, the state Democratic Party and representatives of the governor's office, State AFL-CIO Executive Sec. James Murry reported.

Murry told the legislators the bill was "just the opening salvo in the battle for 'right to work' in Montana." Such measures are "out of the mainstream" of both major political parties, Murray reminded the legislators, pointing out that the anti-public employee bill "is an example of the anti-union philosophy that is pervasive throughout the Northwest."

Other opponents of the bill cited figures showing that Montana workers are better-paid than workers in states where compulsory open shop laws are on the books, and public employee union representatives called a part of the bill which would have permitted different wage rates for union members and non-union workers "ridiculous."

NO PUBLIC employer representatives came forward to defend the bill, and a representative of Gov. Ted Schwinden, a Democrat, testified that the executive branch was opposed to the measure "on principle."

A motion to table the bill in committee was defeated by a 9 to 8 vote, Murry said, with the majority arguing that Montana house members should be clearly on record against such legislation.

Labor Protests Curtailment Of Trade Adjustment Benefits

(Continued from Page 1)

forced to take the lesser state jobless benefits for a shorter term, she observed.

UNDER THIS program, an unemployed worker in Michigan could only collect a maximum of $136 a week for 26 weeks, based on last year's compensation rate. In Texas, the worker would receive only $120 per week, and in Georgia even less—$90 per week.

Rather than curtailing the program, it should be expanded, Jager stressed. She noted that the Labor Dept. since April 1975 has certified more than 900,000 workers eligible for assistance in almost every state and major industry.

But many more workers have been denied benefits, because the law narrowly excludes laid-off workers who make components and provide related services for the industries directly affected by imports, Jager told the subcommittee.

ON THAT basis, she observed, a car dealer would not qualify for assistance, neither would a driver for a firm that delivered the cars. And although a worker producing bumpers at one of the Big Three auto makers could qualify for assistance, a worker at an independent bumper company could not, unless the bumpers were imported separately.

"The AFL-CIO believes that trade adjustment assistance should be an integral part of an overall U.S. trade policy," Jager said, adding that the sharp increase in international trade requires some additions to be made to the federal budget.

Thus current proposals to cut the program "are a giant step in the wrong direction," she stressed.

LEGISLATIVE DIRECTOR John J. Sheehan of the Steelworkers said in testimony to the panel that the program should not be slashed simply because its costs have increased sharply with the surge in auto imports.

"It is a program which has provided hundreds of thousands of workers laid off because of imports the ability to readjust, and one which warrants expansion of coverage to workers who supply essential parts and services," Sheehan declared.

Fourth-Quarter Output Shows 4 Percent Rise

The Commerce Dept. issued revised figures showing that the nation's economic output in the final quarter of 1980 increased at a seasonally adjusted annual rate of 4 percent, a decrease of 1 percentage point from the original estimate.

The 4-percent annual rate of rise in "real" gross national product, the value of all goods and services produced, adjusted for inflation—compared with a 2.4-percent annual increase in last year's third quarter. The economy declined at a 9.9 percent annual rate in the second quarter.

Conferences Aim at Sharpening Labor's Tools

AFL-CIO News

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By Rex Hardesty

A determination that the AFL-CIO will sharpen "every tool we can lay our hands on to pursue traditional union goals" was spelled out by President Lane Kirkland at the launching of the federation's new series of regional conferences.

The first two conferences of the series drew 420 delegates from eight states to the meeting in Philadelphia and 357 from eight states to Boston. In each case, registration overflow forced the splitting of a delegation to keep the conference room attendance small enough to facilitate discussion.

"WE ARE PREPARED to use new methods, different techniques, and better ways to reach our goals," Kirkland said in Boston. "It is our job to enhance the well-being of our members through any educational, political, legislative, or community activities that can advance the cause of workers."

The conferences reflect that range of activities.

In addition to Kirkland and Sec.-Treas. Thomas R. Donahue, presentations are made by AFL-CIO department directors in charge of organization, legislation, COPE and legal affairs on the first day. In the closing half day, conference delegates select their choice of sessions on OSHA, education, research, community services, civil rights, communications, social security and support groups with each delegate able to choose two.

THE CONFERENCES are the first of their type ever held by the AFL-CIO. They were announced by Kirkland in early 1981 as a time "to renew the roots of our movement" through an emphasis on an interchange of views among state, local and national officials, rather than formal speeches.

"Our agenda is not rigid," Kirkland said in Philadelphia, "but we do want to encourage maximum discussion. Therefore speechmanking will be held to a minimum."

The next conference opens Mar. 19 in Chicago for the states of Illinois, Indiana, Michigan, Iowa, Wisconsin and Minnesota. The final four will follow in San Francisco,

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LABOR STANDS TOGETHER in the fight to save benefits for black lung victims and their families, AFL-CIO President Lane Kirkland told 6,000 Mine Workers at a rally to protest Administration plans to slash funding for the program. Kirkland joined the march and rally at the invitation of UMW President Sam Church, Jr., right. UMW District 4 President Walter Suba is at left.

Federation Rallies Support to Miners On Black Lung Aid

By Susan Dunlop

The AFL-CIO has linked arms with the United Mine Workers to fight stiff cuts in federal funding for black lung benefit programs proposed by the Reagan Administration.

Federation President Lane Kirkland joined UMW President Sam Church, Jr., at the head of an estimated 6,000 Mine Workers in a march around the White House to protest the Administration's plan to cut some $387 million in black lung funding.

KIRKLAND joined the march as it made a symbolic stop at AFL-CIO headquarters with members of the Executive Council, heads of the federation's constitutional departments, union staff representatives and members.

The AFL-CIO and the UMW action reflected the solidarity of the recently formed budget coalition of 157 organizations in opposing cuts in the federal budget that could destroy social and economic programs, including those to aid black lung victims.

AT A RALLY following the march, Kirkland told the demonstrators that "your brothers and sisters in the AFL-CIO are with you on this issue all the way. Those who would deprive miners of these benefits would stop at nothing."

Kirkland urged the miners to support efforts to save other vital programs as well, pointing out that "this is an important fight, and it is only the first of many fights trade union members will be in to defend the rights of working people."

The Mine Workers' demonstration was part of a two-day "memorial period" for black lung victims during which all union miners were urged to remain off the job. The work stoppage was permitted under the terms of the 170,000-member union's contract which allows up to 10 days a year off for protests on safety issues.

THE MARCH followed a series of speeches by UMW officers and elected officials from coal-producing states at a rally at the union's Washington headquarters.

The UMW reported that demonstrators from every coal state traveled to Washington for the march, including some from as far away as Utah and Wyoming. The UMW march was the first such large-scale, vocal demonstration staged to protest any of the Reagan budget cuts.

Some 50 students from the Seafarers' Harry Lundeberg School in Piney Point, Md., made the trip to join the demonstration which included a number of black lung victims.

The Administration's proposals include a sharp retrenchment in the program that now pays benefits to about 80,850 black lung victims and their dependents. This would be accomplished through more stringent eligibility requirements and an end to federal assistance to the black lung trust fund.

CONGRESS established the black lung aid programs as part of the Coal Mine Health & Safety Act of 1969 and set up the trust fund in 1977. The fund, which is supposed to be financed by a tax on coal sold by producers, has come under the most direct attack by the Administration which claims that the industry, not the federal budget, should keep it solvent.

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Reagan Deepens Slash In Jobs, Social Programs

By James M. Shevis

President Reagan sent Congress a revised fiscal blueprint for the nation next year that would make even deeper cuts in worker protections and social programs than he had originally proposed.

Calling for "dramatic change" to break up the pattern of economic stagnation and high inflation, Reagan asked Congress for quick approval of an updated fiscal 1982 budget that would reduce spending by $48.6 billion from the level proposed by the Carter Administration in January.

THE PLANNED spending cuts, which reflect Reagan's conservative political philosophy, would be coupled with a three-year, 10-percent annual reduction in personal income taxes and faster depreciation write-offs for new business investments. The budget cuts, which are central to Reagan's plan to balance the budget by 1984, would hit particularly hard at regulatory agencies.

At a hearing before the House Budget Committee last week, AFL-CIO President Lane Kirkland assailed the Reagan program as unfair to workers and the needy. He accused the Administration of "gambling with the well-being of those who can ill afford to gamble in order to provide a sure winner for the wealthy who are not asked to take any of the risk."

"THE BUDGET CUTS, tax cuts, regulatory cuts, and money supply cuts add up to more inflation and more unemployment," Kirkland warned. "The measures advocated by the Administration are inequitable, unfair, and shortsighted."

The new $695.3 billion budget for the spending year that starts Oct. 1 contains sweeping reductions in outlays for jobs and welfare programs, energy, education, agriculture, federal loans, and other civilian programs.

Reagan also proposed a national "workfare" program similar to a three-year experiment that he presided over as governor of California. The plan would require welfare recipients to accept non-paying community service jobs if they were unable to find paying jobs or job-training on their own.

(Continued on Page 3)

Auto Workers' Board Endorses Reaffiliation

Detroit—The executive board of the Auto Workers has unanimously endorsed reaffiliation with the AFL-CIO, and UAW President Douglas A. Fraser said the union will convene special regional conventions this spring to vote on the issue.

The UAW left the federation in 1968. But in recent years it has worked closely with the AFL-CIO and its affiliates on legislation, political action and other common concerns.

FRASER TOLD reporters, "I think it is time to unify. It is time for solidarity."

Delegates to the UAW's most recent triennial convention, last June, will vote on a resolution empowering the executive board to take final action on reaffiliation. To save costs of bringing the nearly 3,000 delegates from U.S. locals to a single location, the votes will be held at regional

(Continued on Page 2)

Labor Cites Heavy Costs Of Jobless Benefit Cutback

Administration proposals to cut back unemployment insurance protection for workers and reduce public assistance for the needy carry a price tag of human suffering that far exceeds any budget savings, AFL-CIO Social Security Director Bert Seidman testified.

Seidman and other labor witnesses before a House Ways & Means subcommittee warned that the programs President Reagan is seeking to cut are the true "safety net" against unemployment and poverty.

THE UNEMPLOYMENT insurance proposals to which the AFL-CIO strongly dissented would:

- Cut back the extended benefits program for the long-term unemployed—on top of the cuts Congress imposed last year. Reagan's proposals would eliminate the present provision for a nationwide program of 13 weeks of extended benefits during periods of high unemployment. And the insured unemployment rate in a state would have to be substantially higher than at present to "trigger on" extended benefits. But another proposed change would "trigger off" a state program months sooner than under present law.
- Require persons receiving unemployment insurance, after 13 weeks of joblessness, to accept any job paying as much as the unemployment benefit so long as it was not less than the federal minimum wage. States now have flexibility to set suitability standards that take

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AFL-CIO Kicks Off Regional Sessions



REGIONAL CONFERENCE workshop program is launched in Philadelphia with AFL-CIO President Lane Kirkland and Sec.-Treas. Thomas R. Donahue fielding questions from participants. The series of seven regional conferences is designed to produce a free flow of ideas, opinions and evaluations of labor programs at all levels of the federation.

Conference Series Focuses On Improving Techniques

(Continued from Page 1)

Denver, Atlanta, and New Orleans with the states attending roughly following the format of the AFL-CIO seven regional offices.

"We heard you," Donahue said in his summing up session at the end of the workshops. "We heard you on the topic of your getting 10 different requests to do eight things in a differing range of priorities."

"AND WE HEARD you on such topics as affiliation, on jurisdiction and organization and on your problems with working with coalitions in your community," Donahue said. "We heard you on a whole range of frustrations which stem from the fact our democratic union structure is not neat, tidy and easy to execute in. We are glad to take your message back and act on it."

Various state delegations to the first two regional conferences were made up primarily of representatives of state AFL-CIO and local central bodies, along with a sprinkling of delegates from international unions. Kirkland addressed those distinctions in his opening remarks.

"Most of you are decision-makers in your own organizations," Kirkland said. "Your actions percolate up from the local, state or regional level to your national and international unions, and from there to the federation."

BUT THE LOCAL and state AFL-CIO structure "is the vehicle through which we percolate out—translating policies into action, pursuing effective programs and reaching out to our natural allies."

One current priority, Kirkland emphasized in both cities, is to protect workers against federal budget cuts that are "simply the wrong medicine, applied at the wrong time and in the wrong manner."

Kirkland said in response to reporters' questions in Boston that President Reagan had "no mandate" to cut trade adjustment assistance and unemployment compensation "unless he campaigned on that issue in Michigan, Illinois and Ohio."

Similarly, he said Reagan had "no mandate" to slash social security and black lung benefits unless he campaigned on those issues in Florida and West Virginia, respectively.

"I'M NOT comforted by the President's assurance that his budget cuts will not hurt 'truly deserving needy,'" Kirkland said. "But if such distinctions are to be made among the poor, why not apply them as well to corporations? What sense does it make to say that McDonald's should receive equal treatment with an electronics plant or a devastated apparel industry?"

Kirkland told reporters in Boston the AFL-CIO could not set priorities on the budget fight, because workers are affected by such a wide variety of programs.

And Kirkland reminded delegates that any study of labor in its centennial year would show that "the American labor movement must take on this fight" over the budget. "We are not about to lose our nerve now, or scuttle our convictions."

AS AN EXAMPLE of such historic fights—and the variety of "tools" to be sharpened by the regional conferences—Kirkland traced the labor quest for a shorter workday.

"In 1884, the Federation of Organized Trades & Labor Unions was only three years old when it issued the call for the eight-hour day," and the struggle evolved through strikes and efforts in the 1880s and again just after World War I.

"But the issue wasn't resolved until the 1938 enactment of the original federal minimum wage law which made the employer pay a premium for overtime. Collective bargaining couldn't do it alone; no one strike did it, and the legislation didn't just happened.

"It took a combination, once again of every tool we could lay our hands on," Kirkland said.

IN RECOUNTING the "message we heard" from the workshop session, Donahue listed coordinated approaches to both organizing and bargaining on which the federation would be able to help.

"And we heard your concerns about technical help on state legislative matters, on ways to counter the union-busting consultants and other interference by employers in representation elections," he said.

Donahue also said that over a longer period of time, all units of organized labor would be continuing to "monitor the performance of elected officials on how they voted after we broke our picks working to elect them."

Industry Pressure Delays Lead Exposure Safeguard

A key safeguard designed to protect workers from lead poisoning has been postponed for 31 days by the Occupational Safety & Health Administration while it considers a lead industry petition for a one-year delay of the regulation.

OSHA pushed back until Apr. 1, the effective date of the medical removal provision in the federal lead exposure standard which requires employers to take workers off the job when lead in their blood reaches a specified "trigger level." The removal or transfer to a less hazardous job must be made without loss of pay, seniority or other benefits to the worker.

THE NEW TRIGGER level that was scheduled to take effect Mar. 1 would have required the removal of workers whose blood lead level reached 60 micrograms of lead per 100 grams of blood. The workers could return to the job when their blood lead level dropped to 40 micrograms.

During the postponement, the trigger level that has been in effect since March 1980 must be observed, OSHA said. It requires employers to remove workers when blood levels reach 70 micrograms and allows them return to the job when the levels drop to 50 micrograms.

The lead industry has been fighting the implementation of the lead standard since it was issued in November 1978.

LAST DECEMBER, the Supreme Court stayed a section of the standard requiring the industry to reduce worker exposure to lead through the installation of engineering controls. But the high court refused to stay the medical removal provision.

Lead poisoning, resulting from excessive exposure to the metal, can cause anemia, kidney failure, brain and nervous system damage, as well as death. The Labor Dept. estimates that more than 800,000 workers in 40 industries are exposed to lead on the job.

In filing for the one-year delay, industry contended that the lower trigger level would cut into productivity by requiring employers to remove skilled workers who could not be easily replaced.

THE STEELWORKERS, one of several unions challenging the Lead Industries Association's petition, questioned the timing of the application, coming just six days before the provision was to take effect, even though industry was aware of the regulation for more than two years.

The USWA also pointed out that industry provided no evidence in its petition to justify one-year delay in the provision.

2-Earner Families Greatest Losers In Buying Power

Families in which both husband and wife worked suffered a sharper drop in purchasing power in 1980 than individual workers, the Bureau of Labor Statistics reported.

Household survey data released by the BLS showed that real earnings—wages adjusted for inflation—of individuals who worked full time fell 2.7 percent in the year ended with the fourth quarter of 1980, about the same as the 3 percent decline for the year ended with the third quarter.

In families where husband and wife were earners, real earnings over the same period—fourth quarter to fourth quarter—fell 3.8 percent.

THE BLS SAID that before adjustments for inflation, median weekly earnings of individuals employed full time rose 9.5 percent for the year, from $253 to $277. For the husband-wife couple, the weekly income increased 9.2 percent, from $494 to $539.

For all families, the median wage and salary earnings rose only 6.8 percent, from $388 to $415 a week, because some workers lost their jobs and others were cut back to part-time work. Over the year ended with the fourth quarter, consumer prices increased 12.5 percent.

Reflecting the effects of the economic slowdown last year, the number of married-couple families with two or more bread-winners dropped by about 600,000 from the fourth quarter of 1979 to the fourth quarter of 1980. Most of this decline occurred among families in which both the husband and wife had previously been working, the BLS said.

Auto Workers' Board Endorses Reaffiliation Bid

(Continued from Page 1)

meetings and will then be tallied together.

Dates and locations are still being worked out but, Fraser said he expects the vote tally to be completed before May 1.

AFL-CIO President Lane Kirkland told reporters at the federation's recent Executive Council session that the AFL-CIO has invited reaffiliation of the UAW and has had discussions with both the UAW and the Teamsters. The last AFL-CIO convention directed the Executive Council "to give prompt consideration" to any request for affiliation.

The UAW has some 1.2 million members in the United States who would be included in the AFL-CIO if reaffiliation took place.

Senate Asked to Tighten Auto Quota Bill

Legislation to curb automobile imports from Japan is urgently needed and a bipartisan bill being considered by a Senate Finance subcommittee should be passed with strengthening amendments, the AFL-CIO testified.

The bill, introduced by Subcommittee Chairman John C. Danforth (R-Mo.) and Sen. Lloyd Bentsen (D-Tex.), would set a quota of 1.6 million Japanese auto imports a year for the next three years. The figure is the average of auto imports from Japan for 1978 and 1979, and is about 300,000 below 1980 imports.

AFL-CIO LEGISLATIVE Rep. Stephen Koplan urged a lower quota—a limit of 1.2 million imports a year, which reflects the annual average of the 1975-79 period.

Action has been too long delayed, he stressed. And "workers who need jobs have paid too much of the price for this failure to act." Koplan noted that earlier this month, in Toledo, Ohio, 5,000 unemployed workers lined up for 90 jobs in an auto battery plant.

Koplan reminded the Senate panel that the glut of imports and the cutbacks in U.S. auto production go far beyond auto assembly plants. "Two out of every three jobs in the industry have been held by workers who make machinery, steel, aluminum, glass, electronics, rubber, plastics and other products which are assembled into automobiles," he testified.

The AFL-CIO endorsed a proposal by the Auto Workers to allow an exemption from the quota for Japanese automobiles containing a designated percentage of domestic content, such as engines and other production parts. The domestic content requirement could be phased in, Koplan suggested, to reach 75 percent by 1983.

HE URGED the committee also to consider limitations on imports of auto parts to complete the process of turning international trade back into a two-way street.

"The United States is the most open large market," Koplan said. Other nations are enlarging their content requirements, he noted, and their laws encourage U.S. firms to manufacture abroad and export to the United States. The lack of any counter-pressure by the United States through import quotas, high tariffs or high content requirements "can mean the death of a viable U.S. auto industry," Koplan warned.

Pay Act Saved In Arkansas, Killed in Utah

Arkansas labor staved off an attempt to repeal the state's prevailing wage laws when testimony by the State AFL-CIO and building trades workers convinced the state's house to refer the bill to a committee for two years of study.

In Utah, however, non-union contractors were able to rally enough support in the state's house and senate to push through a bill overriding the governor's veto of a repeal measure.

BACKED BY some 3,000 union members to attended committee hearings on the Arkansas measure, State AFL-CIO President Bill Becker called the "little Davis-Bacon" law essential to prevent bidding wars between contractors from undermining wage levels on projects financed by state and local governments and school districts.

Wage cutting means bringing in unskilled workers, Becker told the legislators, adding that "the old adage that you get what you pay for is still true in the construction business."

Dewey Stiles, chairman of the state federation's legislative committee, called the bill little more than a "smoke screen" to cut the income of construction workers.

The house public welfare, health and labor committee voted 12 to 4 to recommend that the bill be referred to an interim committee, an action expected to bury it for the remainder of the state's legislative session.

IN UTAH, even a massive rally by union members was not enough to beat back overwhelming Republican majorities in both legislative houses. They voted to override Democratic Gov. Scott Matheson's Mar. 2 veto of a bill repealing the state's prevailing wage statute. The votes were 50-24 in the house and 21-7 in the senate. The repeal bill was backed by the Utah Associated Builders & Contractors.

Utah Building Trades Sec.-Treas. Steve Richins, although disappointed by the setback, said the repeal might be a blessing in disguise" for Utah labor as a rallying point for future political action, including "targeting some of the masterminds behind this repeal scheme in the next election."



STRONG CASE AGAINST repeal of Arkansas's prevailing wage law was made in testimony to the legislature by State AFL-CIO President J. Bill Becker and President Joe Woodson, right, of the State Building & Construction Trades Council. A House labor committee voted 12 to 4 to shelve the anti-worker measure.

Court Clarifies Job Bias Test Under Rights Act

The Supreme Court clarified but did not change the legal test for determining whether an employer has been guilty of race or sex discrimination in violation of Title VII of the Civil Rights Act.

The court ruled unanimously that the 5th U.S. Circuit Court of Appeals was wrong when it imposed a heavy burden of proof on the employer to demonstrate that a personnel action was not a violation of Title VII. In the case at hand, the Supreme Court said, the appellate court "also erred" in requiring the employer "to prove by objective evidence that the person hired was more qualified."

THE SUPREME COURT noted that Title VII prohibits discrimination, but does not require an employer to "give preferential treatment of minorities or women" or to hire a minority or female applicant over a white male applicant with equal qualifications.

The employer remains free to choose among equally qualified job candidates, the court said, provided the decision isn't based on "unlawful criteria" of race, sex, national origin or religion.

In the particular case, it said the employer had adequately met the test of "articulating" a non-discriminatory reason for the personnel action that dispelled any assumption of illegal discrimination. Justice Lewis F. Powell, Jr., wrote the decision for the Supreme Court.

Reagan Budget Would Deepen Cuts In Job Protection, Social Programs

(Continued from Page 1)

The major features of the plan were contained in the President's Feb. 18 address to Congress and budget outline calling for 83 major cuts resulting in $34.8 billion savings for 1982. In budget revisions forwarded to Capitol Hill on Mar. 10, additional cuts totaling $13.8 billion in 200 federal agencies and programs were unveiled.

The revisions also seek $6.4 billion in cuts during the current fiscal year, $2 billion more than the President had sought last month. The Reagan Administration proposed outlays of $655.2 billion with receipts anticipated at $600.3 billion this year.

In a message accompanying the revisions, Reagan said that even with the budget cuts planned outlays in the 1982 fiscal year represent a 6.1 percent increase in spending over 1981, or about one-half the 11.6 percent rise President Carter proposed.

HE SAID he would recommend further cuts if necessary to reach his spending target, insisting that his election was "a mandate for change."

Reagan said his plan relies on "the private sector, rather than the federal government, as the fundamental source of economic motivation and growth," and would shift responsibility to states and cities in areas of public services where he said the federal government has become "excessively or improperly involved."

The AFL-CIO Executive Council at its recent meeting charged that Reagan's program would "substitute unrestrained market power for social responsibility and human concerns." If Congress goes along with the proposed cuts, more than a million jobs will be sacrificed, the council warned.

THE MAR. 10 budget revisions included new cuts in eight spending areas—veterans' benefits, manpower training, subsidies for merchant marine shipbuilding programs, water development projects, small business loans, public health services, railroad employees' pensions, and mortgage underwriting.

More than 300,000 public service jobs funded under Comprehensive Employment & Training Act programs would be eliminated by Sept. 30, for a slash of $600 million this year and $3.6 billion in 1982. Labor Sec. Raymond Donovan has already imposed a freeze on any new hiring in the CETA jobs program this year.

THE ADMINISTRATION also called for the elimination of the Youth Conservation Corps, and achieving further savings by consolidating other programs. Another cut would end Labor Dept. participation in state employment service operations that help unemployed workers find jobs.

Reagan also plans to propose legislation to end the national trigger for extended unemployment insurance benefits beyond the 26 weeks' coverage provided by basic state programs and make it harder to "trigger on" the state programs for extended benefits.

Other cuts proposed in the Mar. 10 message include:

- An overall reduction of about $700 million for veterans' programs in 1982. This would include canceling and delaying several hospital projects.
- Elimination of medical care for merchant seamen and the closing of the remaining eight Public Health Service hospitals and 29 clinics now providing this service.
- A $700-million cut from the Health & Human Services Dept. budget, including elimination of the $255 lump-sum social security death benefit if a beneficiary dies without a spouse or children. Congress rejected President Carter's 1979 proposal to end the lump-sum payment outright.
- Food stamp reductions of $2.3 billion through more stringent eligibility requirements and $900 million more by converting food stamps for Puerto Rico into a block grant.
- $700 million in nutrition programs for children and pregnant women.
- Termination of the Government National Mortgage Association tandem mortgage purchase plan for the Housing & Urban Development Dept.'s Section 8 program for low-income citizens after 1982.
- Cuts in the black lung disability trust fund, restricting benefits to those who are "truly" disabled by black lung disease. The objective is to "eliminate questionable claims," the Administration observed.
- $2.8 billion in "miscellaneous" cuts ranging from reduced subsidies for shipbuilding to decreases in the student loan program.

Other spending reductions affect nearly every branch of government, but hit hardest at aid programs for consumers, the poor, the jobless, and even those with jobs.

AFL-CIO Stands by Miners In Black Lung Benefit Fight

(Continued from Page 1)

The Mine Workers point out that the industry has resisted its financing role in the fund and that federal support is essential to aid victims of the crippling disease.

"These are people who proclaim from the highest corporation or government heights," Church told the demonstrators, "that safety regulations in our nation's mines, and for that matter in every other workplace, are too stringent, too expensive, too restrictive and too much of a burden on business."

CHURCH CALLED these claims "attacks by people who will never suffer from breathing-in the air-conditioned air in their plush offices."

The union vigorously rejects an Administration claim that 88 percent of all miners certified as eligible for black lung payments "were either ineligible or could not be proved to have black lung disease." That 88 percent "still can't breathe" the union points out, charging that "red tape" delays in providing aid to ailing miners are a more appropriate subject for federal attention which has not been investigated by the Administration.

Black lung, the common name for pneumoconiosis, causes severe shortness of breath, excessive coughing, and a daily build-up of suffocating mucus. More than 4,000 mine workers die each year from the effects of breathing in tiny particles of coal dust, the UMW reports.

The union points out that even though Congress widened the eligibility standards for black lung programs in 1977, a victim unable to work may still have to wait months to be certified as eligible for benefits, particularly if a former employer challenges the claim.

MANY OF THOSE expected to be hurt by the proposed cuts are the families of deceased miners who are receiving benefits under a provision in the law that provides payments to dependents of miners presumed to have died from black lung.

Other miners, in spite of having the full symptoms of the disease, could be shut off from aid if laboratory tests and x-rays do not show a sufficient degree of illness.

Such tests have not been shown to be reliable, the UMW says.

A New Spirit of Cooperation

THE UNITED STATES FACES a period in its history when non-inflationary economic growth and full employment are essential to the maintenance of a free and healthy society.

American labor and business see these as necessary mutual goals to provide our society with new and expanded job opportunities, increased living standards, international competitiveness in an interdependent world and the capacity to meet social commitments.

With these objectives in mind, the Labor-Management Group will meet on a voluntary basis to search for solutions to a wide range of issues.

THE PRINCIPAL FOCUS of the Group's discussions will be in the area of economic policy in which its collective experience is widely based. In framing its discussions, the Group is mindful that it is but one of many groups whose opinions may be sought in shaping the nation's policies. The Group's recommendations must consider its obligations to the aspirations of all Americans, including the just demands for equity by minorities, women and those for whom social justice is still a dream.

The national interest requires a new spirit of mutual trust and cooperation, even though management and organized labor are, and will remain, adversaries on many issues.

The uniqueness of America lies in the vitality of its free institutions. Among these, a free labor movement and a free enterprise economy are essential to the achievement of social and political stability and economic prosperity for all. It is destructive to society and to business and organized labor if, in our legitimate adversarial roles, we question the right of our institutions to exist and perform their legitimate functions. In performing these functions, we recognize that both parties must respect deeply held views even when they disagree.

ONE RECOGNITION of the legitimacy of our respective institutions is demonstrated in the process of free collective bargaining. We believe that both the democratic right of employees to determine the issue of representation and the process of collective bargaining must not be threatened by occasions of excessive behavior by employers or unions.

The Group will use the wider relationships its individual members have in the business and labor communities to broaden its knowledge of issues, to improve the overall labor-management climate and to communicate the results of its deliberations to its respective associates.

The complexity of issues suggests the Group may not find complete consensus on all the issues it explores. When it does, it will communicate its views publicly. Otherwise, the participants reserve to themselves the privilege to address issues in their individual capacities.

The Group intends to look closely at the issues it knows best and how they are affected by public policy. These are the issues that grow out of our experiences in industries and localities. Further we intend to explore a wide range of issues with particular emphasis on revitalizing the nation's economic base, rebuilding the private and public infrastructure on which our productive capacity as a nation depends, and stimulating safe and efficient means for meeting the nation's energy needs.

—Text of the Statement of Purpose issued by the Labor-Management Group, Mar. 4, 1981.

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LANE KIRKLAND, *President*
THOMAS R. DONAHUE, *Secretary-Treasurer*

Executive Council

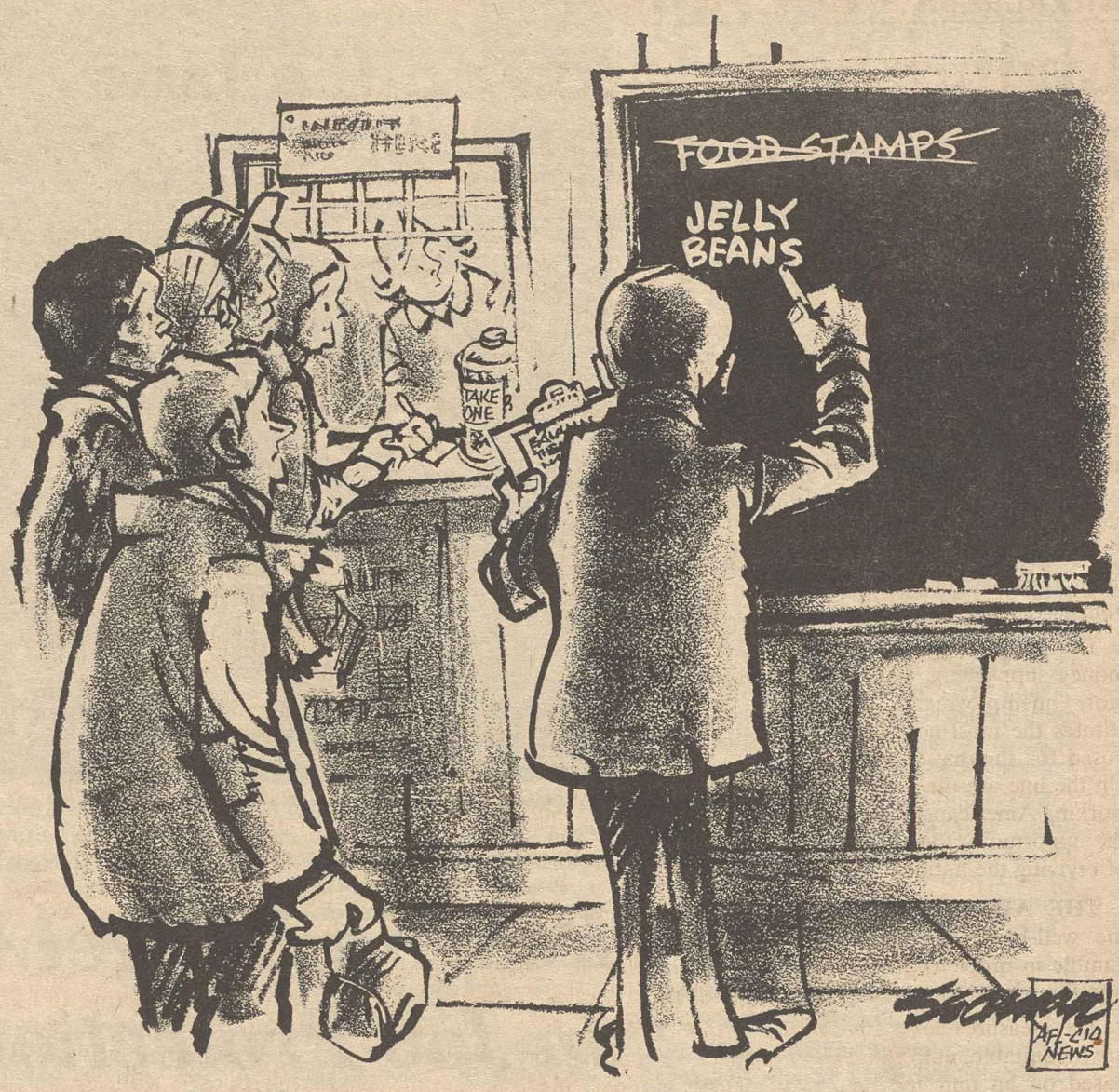
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Free Lunching at the Senate

Some Federal Food Subsidies Aren't Limited to 'Truly Needy'

By Gus Tyler

PAULA HAWKINS says that food stamp cheats should be thrown in jail. Her words are not to be ignored because Paula Hawkins is the new senator from Florida who intends to make such jailing mandatory so that no lenient judge may fudge the sentence.

Lest anyone think that this lady is being unduly mean, she makes it clear that her heart is with the truly needy. "The truly greedy," she announces publicly, "is who I'm after, so there'll be money left after to take care of the truly needy."

ALTHOUGH Sen. Hawkins's proposal seems bland enough, compared with the old English practice of hanging children in public square for stealing a cookie, the posh confab at which she proclaimed her righteous purpose, erupted into unexpected unruliness. It all had to do with the food at the luncheon and just who paid for it.

The invited guests at the lunch—mainly lobbyists for agricultural interests—dined on choice beef, fresh asparagus and hot apple pie in the well-adorned surroundings of the Senate dining room. This eating place gets a subsidy from the federal government—in the same way as food stamps represent a subsidy—except that to eat in the Senate quarters you don't have to prove that you are poor.

Despite the subsidy to feed senators, and presumably their guests, somebody still had to pay for the meal. The question was, who?

WITH PAINFUL persistence, CBS correspondent Phil Jones put the query to Sen. Hawkins who, repeatedly and heatedly, said that she was picking up the tab. "I just wrote a check for it," she announced. But pressed further, she blurted: "I haven't got the bill yet."

Hawkins was annoyed that this line of questioning had shifted the focus of the conference from poor cheats to non-poor lobbyists. Their presence once more made the point about welfare for the non-poor.

All the guests proved the falsity of what passes for a truism about "no free lunch." The diners on this occasion were getting a "free lunch," partly at the expense of the U.S. Treasury. What is more, this costless cuisine was not unusual; it is the usual way of life for just about every business executive in America.

On any one day, several million such non-poor eat meals without personal cost: they charge it to the company that, in turn, writes it off as a business expense in reporting income. So Uncle Sam picks up about half the cost.

ON ANY ONE day, the U.S. Treasury must lose in such "free lunches" more than the $2 million that Sen. Hawkins says is presently stolen by food stamp cheats over the course of a year. (That $2 million represents two one-hundredths of 1 percent of all the money that goes for food stamps, which must make that program one of the most honest and efficient in the country.)

Meanwhile Hawkins will pursue her crusade against the "truly greedy."

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Poor to Get Poorer If Budget Cuts Prevail

The nation's poor have suffered the consequences of prolonged unemployment and inflation more than any other segment in society. The buying power of public assistance benefits is rapidly deteriorating as inflation in the cost of necessities rises at an even greater rate than overall inflation.

The poor spend over 90 percent of their income on basic necessities. They already live in the cheapest available housing, cut back on fuel and eat the cheapest food.

Nowhere in America does the combination of assistance available from welfare and food stamps equal the poverty level—a level which is widely recognized as outdated and inadequate. The level of living this assistance provides the poor, the vast majority of whom are children, is wretched.

Everyone agrees that when it comes to aiding the poor, work is vastly preferable to welfare. And yet the Administration proposes that both job and training programs be eliminated. Child care programs allowing mothers to seek and maintain jobs would disappear. Medical care, food stamps, energy assistance and child nutrition programs would be drastically cut back. The cumulative effect of these proposed measures would savage the poor, terrorize the elderly and bankrupt the cities.

—AFL-CIO testimony at House hearings, Mar. 12, 1981.

Kirkland on Reagan Budget

Living Standards on the Line For Workers, Jobless, Poor

The following is excerpted from AFL-CIO President Lane Kirkland's testimony before the House Budget Committee, Mar. 4, 1981.

WE BELIEVE the federal budget should embody more than programs and policies to achieve broad economic goals of reducing inflation, increasing jobs and restoring health to the nation's productive base. The budget is the document through which the government carries out its constitutional responsibility to provide for the common defense and promote the general welfare.

The Reagan Administration's budget undercuts these responsibilities and will not meet its economic goals.

The budget cuts, tax cuts, regulatory cuts and money supply cuts add up to more inflation and more unemployment. The Reagan budget constitutes the most costly roll of the dice ever proposed for this nation by economic policymakers. On the line are the living standards of millions of working Americans, the unemployed and the poor, the opportunity for energy security and the hope of reviving the nation's indutries and cities.

THE ADMINISTRATION is gambling with the well-being of those who can ill afford to gamble in order to provide a sure winner for the wealthy who are not asked to take any of the risk.

The measures advocated by the Administration are inequitable, unfair and short-sighted. They are based on an untested theory, unrealistic projections and questionable logic.

- Budget cuts in income-support programs ignore the harm that befalls millions of Americans and will result in further shrinking purchasing power.
- Budget cuts in alternative energy programs ignore the recently-learned lesson that the nation cannot be dependent upon a single source of energy or a single group of suppliers, be it a cartel of countries or a cartel of businesses.
- Budget cuts in urban development, transportation and essential municipal services ignore their integral role in building the nation's economic competitiveness by providing the base for reindustrialization.
- Tax cuts loaded on the side of the rich ignore the evidence of history that such cuts do not produce the type of investment society needs most and do not trickle surely down to enhance the general welfare.
- Tax cuts for business ignore the fact that not all businesses need or would use the benefits for productive investment in plant and equipment.

THE NATION has an array of vexing economic and social problems, but the Administration budget presents no sound solutions.

Cutting trade adjustment assistance will aggravate the problem of increasing joblessness due to failures in the nation's foreign trade policies.

Capping benefits for Medicaid recipients will not solve the problem of waste caused by an inefficient health care system or correct the fraud perpetrated by health care providers.

Eliminating the minimum social security benefit will further deepen the severe poverty faced by the 85 percent of the recipients of those payments who depend primarily on social security.

Wiping out a series of job and job-training programs for the working poor will result only in a greater number going on welfare.

We do not agree that America's problems are so dire that a new sub-class of citizens must be created—drawing distinctions between the "needy," the "truly deserving" and the "truly deserving needy." Such distinctions are conspicuously absent from the tax program.

WE DO NOT believe that the nation has been too generous in helping the poor, the disadvantaged and the unemployed; we believe the Administration's proposal is too generous in supporting the wealthy and the powerful.

The centerpiece of the Administration's program is the notion that government spending and deficits cause inflation. The evidence does not support this proposition.

It is pure fantasy to believe that the budget cuts are going to reduce tax burdens and improve living standards. In large part, the costs will be shifted to the states and localities forcing increases in regressive sales and property taxes, cutbacks in essential programs and new or increased fees and charges for public facilities and services.

It is simply wrong to develop an entire economic program based on the false premise that budget cuts are needed to finance tax cuts that are an income transfer from those who are less well-off to those who are more well-off. Business and wealthy individuals are not bearing a disproportionately high share of the nation's tax burden. Therefore, we cannot support the size, shape or direction of the Administration's tax proposals.

The facade of equity constructed around a 10-percent across-the-board tax cut obscures the fact that there is no income tax cut for 15 million low-income wage earners, who are paying higher social security taxes and would lose assistance from programs facing the budget cut.

Those in the middle are also short changed.

Indeed, decontrol of oil prices and the resulting gasoline and heating fuel price hikes have already more than wiped out the tax benefits an average worker's family would receive under the Reagan plan.

According to the Administration's own figures, nearly one-third of the $27-billion individual tax cut will go to the wealthiest 5 percent of taxpayers.

The AFL-CIO tax proposal for a 20-percent refundable tax credit for social security payments would be equitable to all and would cost only $18 billion.

Inconsistent Policies

Reagan's Clashing Economics Dim Prospects for Turnaround

THE REAGAN economic plan ties together contradictory policies that will cancel out hopes to spur the economy and curb inflation, AFL-CIO Research Director Rudy Oswald declared on Labor News Conference.

Massive budget cuts are inconsistent with the Administration's hope to stimulate the economy through tax cuts that heavily favor high-income Americans, Oswald asserted. He pointed out that the actual savings for workers are so small—about $4 a week for a family of four earning $20,000 a year—that the cut will do little to increase consumer spending and encourage increased production.

Questioned by reporters on the network radio interview, Oswald pointed out that the Administration's program "encourages continuation of high interest rates and tight-money policies." Those policies may "cost business much more" than the tax cuts and other incentives aimed at increasing industrial investment, he warned.

Oswald scored specific program cuts that will be made "at the expense of those who have little," particularly a 75 percent rollback of benefits for victims of "black lung" disease, the slash of unemployment insurance protection, and severe cuts of trade adjustment assistance for workers who have lost their jobs because of imports.

HE TURNED ASIDE the contention that the labor movement is being "disruptive" by strongly stating its concerns over the Administration's economic programs.

"We don't have a society that walks lock-step in concert with any proposal by any President, no matter how popular he may be in opinion polls," Oswald declared. He said that the labor movement has a "responsibility to spell out its concerns" as Congress evaluates the potential impact of those policies upon the nation.



By Press Associates, Inc.

IN RECENT WEEKS, the American public has been swamped by Reagan Administration propaganda about the alleged need for sharp cutbacks in funding for a broad range of social programs.

But the percentages and the billions of dollars proposed to be cut from this program and that program say little about the human dimensions—how the lives of flesh-and-blood people would be affected.

To learn more about those who would be affected by the Reagan budget and to spotlight their plight, Democratic members of the Senate Labor & Human Resources Committee invited some folks to Washington for an informal hearing in early March.

THE CITIZENS who spoke at the hearing resembled the people President Reagan had talked about during his campaign—the jobless, the minorities, the middle-income, the hard-working—those whose lives he pledged to improve.

Although there wasn't a trace of self-pity among those who told their story at the forum, each of them might justifiably lay claim to the category of "truly needy" whom the President, in his budget message to Congress, promised not to let slip from society's "safety net." Among them were:

- Thomas Aldridge, an unemployed auto worker from Anderson, Ind., with over 10 years of seniority at a General Motors plant who was laid off nearly 14 months ago. About 2,900 of his fellow workers at the plant are still out of work.

Aldridge has six children living at home, three of them adopted when his sister died eight years ago. He has applied for work at six other GM plants, one of them as far away as Oklahoma, but none was hiring. Although he'd prefer to go back to work at GM to keep his seniority status, he's also been looking for other jobs in Anderson. But other employers consider him and other auto workers a poor risk because they could be called back to the auto plant. "You can't blame them," he said.

HIS VOICE rising, Aldridge told the senators, "I and the hundreds of us still on the street would go to work gladly for less money, but we can't get any offers."

If it weren't for extended unemployment protection and trade adjustment assistance—both of which Reagan proposes to drastically curtail—"I would have lost my house and everything else," said Aldridge.

- Sarah Richardson, 70, who lives with a grandson in rural Buckingham County, Va. She receives a $306 monthly social security pension check. She also gets $80 worth of food stamps each month for herself and her grandson.

THIS WINTER, Mrs. Richardson was able to pay her home heating bill only with the help of the Low-Income Energy Assistance Program. A federally supported health clinic provides medical care at a cost she can afford. If these programs were cut along the lines of the Reagan Administration's request, "I just couldn't make it," Mrs. Richardson said.

- Elinor Nemanich, a schoolteacher from Plainfield, Ill., and a widowed mother, who worries that she won't be able to put her youngest child through college because of the President's proposed cuts in social security survivors' benefits for students in college.

Mrs. Nemanich said her college daughter, now a sophomore, may have to discontinue her studies. "I fail to see how taking away the social security benefits my husband worked for over 30 years is fair," she declared.

The five senators who participated in the forum seemed impressed, even moved at times, by the stories from Middle America.

Said Sen. Edward M. Kennedy, ranking minority member on the Labor Committee, "I think we have to be guided by the concepts of economic democracy and social justice when we look at where we're going to cut and not going to cut."



CONFLICTING ECONOMICS espoused by the Reagan Administration will neither spur the nation's economy nor curb inflation, AFL-CIO Research Director Rudy Oswald, center, said on Labor News Conference. He was interviewed by Frank Swoboda, left, of the Washington Post and Dale McFeatters of the Scripps-Howard Newspapers. The program, a public affairs production of the AFL-CIO, is aired weekly on Mutual radio.



CONTINUED RELIEF from job-destroying imports is needed for America's shoe industry, labor representatives headed by AFL-CIO President Lane Kirkland told the International Trade Commission. From left, are Angelo Georgian, a vice president and shoe division director of the Clothing & Textile Workers; John E. Mara, a vice president and footwear division director of the Food & Commercial Workers, ACTWU President Murray H. Finley and Kirkland. In the background are Art Gundersheim, left, ACTWU international trade affairs director, and AFL-CIO Research Director Rudy Oswald.

Labor Cites Job Stake In Pressing Extension Of Shoe Import Curbs

By John R. Oravec

A three-year extension of import relief is needed to help American footwear manufacturers and workers in their struggle for recovery from the onslaught of foreign-made shoes, labor and industry officials told the International Trade Commission.

AFL-CIO President Lane Kirkland warned in testimony before the ITC that if existing import restraints on nonrubber footwear were removed, the modest gains that the industry has made in recent years would be quickly reversed.

"THE TEMPORARY stability provided by the import relief program would be lost along with considerable time, money and energy invested by footwear manufacturers and workers seeking to revitalize and modernize this essential industry," Kirkland stressed.

The import relief now in effect—based on unanimous findings by the ITC in 1976 and 1977 that the domestic shoe industry was being battered by imports—will expire at the end of June.

The ITC is holding hearings to consider extension of the relief program. The current program covers a marketing agreement with Taiwan and Korea to restrain imports and authorizes presidential action to control footwear imports from other countries.

KIRKLAND NOTED that nearly 100,000 jobs were lost in the U.S. footwear industry largely as a result of flood of imports since 1960. He expressed concern that the remaining 152,000 jobs of U.S. shoe workers and another 75,000 in support industries would be jeopardized if the import flood gates are swung wide open.

"In human terms, jobs in this industry are critical to the financial well-being of many thousands of workers and their families, as well as to the overall health of the economy," he said.

"At a time when national debate is centered on the means to improve the health of the economy, fair, effective action to prevent the further erosion of the domestic industrial base is essential and wise."

ALSO DELIVERING testimony with Kirkland were President Murray H. Finley of the Clothing & Textile Workers, President William H. Wynn of the Food & Commercial Workers and President Fred A. Meister of the American Footwear Industries Association.

Finley told the ITC that while imports from Taiwan and Korea have been regulated by the relief program, footwear imports from other countries — such as Hong Kong, the Philippines and Singapore — have increased sharply.

To stem this surge, Finley said that upon extension of the program, it would be essential for the Reagan Administration to move quickly against the countries that undermine the import relief efforts.

"THE CONTINUED import injury and related loss of jobs in this industry is unacceptable," he declared. If an effective program of relief is implemented for the next three years, he said, "the industry can continue its revitalization efforts, the reduction in our workforce can be halted, and new employment opportunities can be created."

Wynn noted in testimony presented by UFCW Vice President John E. Mara, that 13,000 shoe workers lost their jobs between 1976 and 1979, the year when shoe imports reached a record high of 405 million pairs.

"The job losses and the resultant social and financial problems created by them are not the only cost of unemployment caused by imports," Wynn noted.

"SINCE 1975, when the federal trade adjustment assistance program went into effect, a staggering $64.2 million has been paid to shoe workers who lost their jobs to imports," he said.

"And this sum is only a part of the costs to the U.S. economy, since it does not include the tens of millions of dollars in unemployment insurance and welfare payments which also have been made."

Meister warned that expiration of marketing agreements with Taiwan and Korea could lead to a reduction of some 24,000 more jobs in the U.S. shoe industry and another 12,000 jobs in supplier industries by 1984.

Meister said the termination of import relief would also cause the business community to lose confidence that the nation will be able to solve its economic problems.

AFL-CIO Hits Bill to Scrap Eight-Hour Day Standard

A Senate Labor subcommittee is "moving in the wrong direction" with a bill to abolish the eight-hour day standard on federal contracts, AFL-CIO Legislative Rep. John P. Power suggested. But the subcommittee's chairman, Sen. Don Nickles (R-Okla.), made it clear that he considers the business-supported bill just the first step to end "government's burdensome involvement in society."

Nickles, 32, was described in a recent Congressional Quarterly profile as "at the conservative end of a conservative group of Republican newcomers."

The labor-opposed legislation is sponsored by another conservative Republican, William L. Armstrong (Colo.).

IT WOULD amend the Walsh-Healey Act and other laws affecting government contracts to enable employers to schedule workdays of up to 10 hours without having to pay overtime, as long as the total workweek did not exceed the 40-hour limit of the Fair Labor Standards Act.

Power traced the history of the eight-hour day to the earliest struggles of the American labor movement. The vast majority of union contracts, he noted, require at least time and one-half after eight hours, with some applying premium pay requirements after seven hours.

With unemployment persistently high, he suggested, it is time for Congress to consider a seven-hour day, 35-hour workweek standard.

NICKLES, HOWEVER, had other thoughts on the direction his subcommittee should go.

The panel should investigate the Longshoremen's & Harbor Workers' Act to look into "racketeering and corruption" in claims, he said.

Then he suggested, it should turn to the Davis-Bacon prevailing wage law, which Nickles asserted "has had a deadening economic effect." And he would like to see enactment of a youth subminimum wage, which he referred to as "an opportunity wage."

Nickles protested that "for the last few decades the dominant political thought has been to meet each social problem by creating more government, such as the Occupational Safety & Health Administration, at the price of individual freedom."

Congress Urged To Keep Funding Development Aid

The Economic Development Administration has been a lifeline for unemployment-ravaged communities and should be saved from the Reagan Administration's budget ax, the AFL-CIO urged.

A House Public Works subcommittee is reviewing a section of the Administration budget proposals that would wipe out all funding for EDA, which helps job-creating businesses get established in communities with high unemployment. EDA also helps fund back-up public facilities.

BESIDES WIPING out EDA completely, the Administration has proposed combining related community development programs into a block grant package to achieve greater "flexibility"—but cutting federal funds by more than 80 percent.

Henry B. Schechter, director of the Office of Housing & Monetary Policy in the AFL-CIO Research Dept., told the House panel there is "no logic" to the Administration's approach.

Its assumption that a general economic revival will make direct federal aid unnecessary and that "more can be done with considerably less" rests only on "an unproven belief," Schechter protested.

Just last year, Schechter reminded the House subcommittee, "Congress reviewed the EDA program and found it deserving of a three-year authorization. . . . To eliminate the EDA, with its expertise developed over 15 years, would constitute the desrtuction of a valuable national asset."

THE AGENCY has also administered the emergency public works programs that have been used to provide "countercyclical" stimulus to the economy during severe recessions by putting local people to work on projects that are needed but could not be funded by cities or states.

With unemployment still at historically high levels, Congress should be looking to such programs to get people back to work instead of slashing economic development funds, Schechter urged.

John Yarmola Dies at 56, Seafarers' Vice President

John Yarmola, a vice president of the Seafarers and national field coordinator of the AFL-CIO Maritime Trades Dept., died Mar. 8 at his home in Washington after a heart attack.

Yarmola, who was 56, also was president of the United Industrial Workers of the Midwest, a Chicago-based affiliate of the SIU that he helped organize in the 1960s. He also served on the executive boards of the SIU and the MTD.

AFTER STARTING his trade union career with the Teamsters, Yarmola joined the federation's Union Label & Service Trades Dept. in 1950 as assistant to the secretary-treasurer. He moved to the SIU in the late 1950s as an international representative and special assistant to the union's president, the late Paul Hall.

In a message to his family, AFL-CIO President Lane Kirkland and Sec.-Treas. Thomas R. Donahue said that Yarmola's death "is a heavy blow not only to the Seafarers, but to all workers to whom he dedicated his lifetime."

And as "Hall's strong right arm," they continued, "Johnny was a tremendous asset to the union" and the MTD. "But to thousands of men and women in and out of the labor movement who knew and loved Johnny as we did, he was much more. He will be remembered as a strong and gentle man and a generous and unfailingly loyal friend."

Survivors include his wife Peggy, son Jeffrey, mother Anna, sister Marie Zelensky, and brother Steve of the AFL-CIO staff. Services were scheduled Mar. 14 in Bridgeview, Ill., with burial at St. Mary's Cemetery in Evergreen Park, Ill.

Pilots Oppose Airport Safety Fund Diversion

The Air Line Pilots urged Congress not to allow the use of federal aviation trust funds for operating costs of the Federal Aviation Administration while many of the nation's airports still lack basic safety and navigation equipment.

"Too many of our nation's airline airports still lack many facilities and equipment that enhance safety," ALPA President John J. O'Donnell testified before the Senate Aviation Subcommittee considering legislation on the federal airport and airway development program.

"WE FIND IT particularly troublesome," O'Donnell said, "that this situation continues even though there are plenty of funds available. The uncommitted surplus in the Airport and Airway Trust Fund now stands at about $4 billion, an amount that could more than pay for all the safety needs we have identified."

The trust fund holds money, mainly in the form of airline ticket taxes, that was collected to pay for airport improvement and other aviation programs.

O'Donnell pointed out that of the 388 airports served by air carriers, 165 lack radar coverage, 119 do not have a control tower, 78 lack instrument landing systems, 73 are in need of approach lights, and roughly half of the runway ends at the airports do not have visual approach slope indicators.

HE URGED that the following provisions be included in any legislation affecting the airport program:

- Significant increases in authorized funding levels for facilities and equipment.
- Specific language directing the FAA to make air safety the first priority in administering the program and trust fund.

Employers Targeted

Panel Asks Crackdown On Illegal Alien Hiring

Employers who hire illegal aliens should be subject to penalties and enforcement of fair labor standards laws should be stepped up to help deter illegal immigration, a federal commission has recommended.

The Select Commission on Immigration & Refugee Policy also called for an amnesty program for some illegal aliens already in this country, curtailing of "guest-worker" programs and improved funding to hire, train and equip border patrol and immigration officers.

THE COMMISSION'S recommendations, many of which paralleled AFL-CIO positions, were made in its final report to Congress and the White House. Among the sixteen members of the panel was J. F. Otero, vice president of the Railway & Airline Clerks, who was appointed by former President Carter. The panel was chaired by the Reverend Theodore M. Hesburgh, president of the University of Notre Dame.

The 453-page report, titled U.S. Immigration Policy and the National Interest, emphasized that most illegal aliens are attracted to the United States by the chance to get a job. Most were unemployed or underemployed in their home countries and can earn many times more here, even on minimum wage jobs, the panel noted.

As long as the possibility of employment exists, people will take great risks to come to the United States, and curbing illegal immigration will be difficult, the report observed.

IT STRESSED THAT deterrents are needed to make the employment of illegal aliens unprofitable, including penalties levied on employers for hiring undocumented workers. The Farm Labor Contractor Registration Act is the only current federal law restricting hiring of illegal aliens.

The commission stopped short of a determination on whether such sanctions should be civil, criminal or a combination of both depending on the magnitude or frequencies of offenses. The AFL-CIO has called for similar measures, including criminal penalties and injunctions to discourage repeat violations.

The commission also pointed out that large-scale illegal immigration "encouraged by employers who provide jobs, has created an underclass of workers who fear apprehension and deportation," permitting exploitation of these workers "who cannot or will not avail themselves of the protection of U.S. laws."

AND WHILE the immigration law is being flouted, worker protections such as the minimum wage law and occupational health and safety regulations are also being disregarded, the commission observed. It stressed that existing wage and working standards laws should be enforced strictly along with "employer responsibility" legislation.

Immigration & Naturalization Service budgets should be increased now, the panel recommended, to permit wide investigation in areas and industries where there is evidence that many illegal aliens are already working.

Legalization of the status of many illegal aliens in the U.S. would be a "realistic response" to the problem, the panel suggests, and a similar position has been taken by the AFL-CIO which called for adjustment for aliens with "a demonstrated attachment to the community."

THE COMMISSION'S report emphasized that legalization would be in the economic and social interests of the United States as well as an expression of humanitarian concern, particularly for the reunification of families.

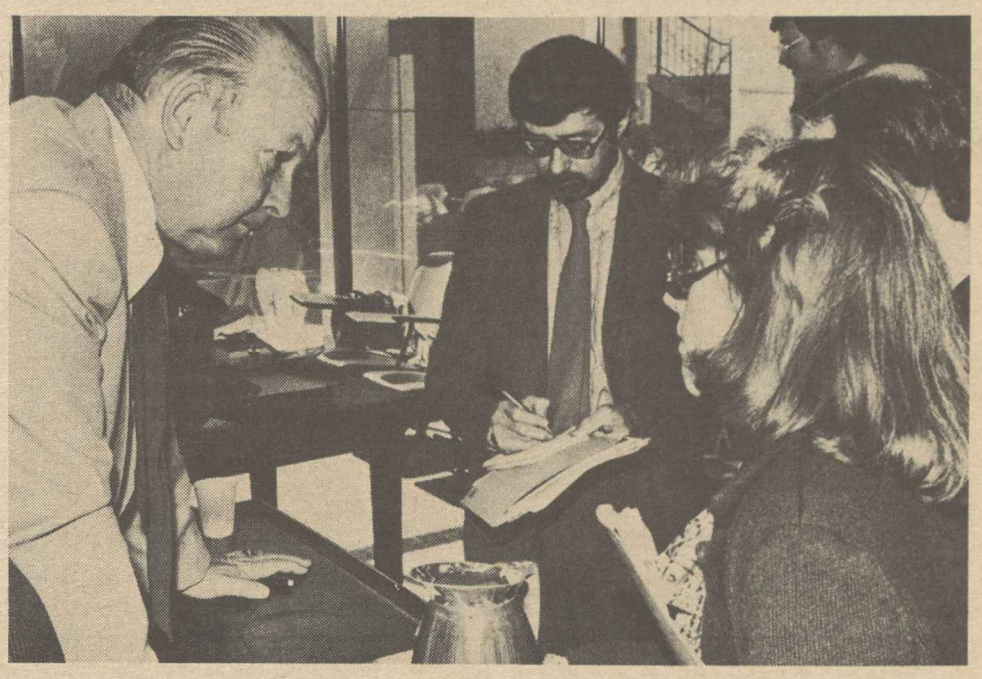
But legalization should only follow the institution of new, effective enforcement measures, the panel cautioned, so that it does not encourage further illegal immigration.

Enforcement, the panel said, must include increased funding to expand the numbers and training of Border Patrol personnel as well as the purchase of border movement sensor systems, aircraft and other equipment.

THE MORE THAN 90 recommendations also include suggestions for improvements in the Immigration & Naturalization Service, including better training procedures for INS officers and safeguards for the non-discriminatory enforcement of immigration laws.

While the commission recommends that legal immigration levels be allowed to rise slightly, it opposes the introduction of new temporary worker programs, a position also taken by the AFL-CIO.

Evidence from "guest-worker" programs in the United States and Europe, the panel points out, supports the position that such programs do not effectively stem illegal immigration. Many of the commission members, the report noted, oppose guest-worker programs in that they create an "underclass" of workers while undermining working conditions and increasing social costs for the host country.



EMERGENCY PLANS for dealing with a major cut-off of U.S. oil imports should not be left to unharnessed market forces, Oil, Chemical & Atomic Workers President Robert F. Goss tells reporters at a press conference. Goss registered a sharp dissent to that recommendation of the National Petroleum Council's committee on energy preparedness on which he serves.

Energy Emergency Plan Hit As Scheme to Rig Oil Prices

Consumers stand to pay out billions of dollars in higher oil and gasoline prices in the event of a national energy emergency if a government study panel's recommendations become policy, Oil, Chemical & Atomic Workers' President Robert F. Goss warned.

Goss leveled the charge at a news conference to air his dissent from a draft report by the National Petroleum Council's subcommittee on emergency preparedness. He slapped the committee's recommendation that "the competitive market should be relied upon as the primary adjustment mechanism" for dealing with shortfalls of oil such as those caused by cut-offs of crude oil sales to the United States. Goss is a member of the NPC committee which was established by the U.S. Energy Dept.

"THIS IS rationing by the size of the pocketbook," a system that would permit producers, refiners, and retailers to push up prices "until the average citizen could not afford to buy."

The report, issued by a committee Goss described as broadly representative of the major oil companies, calls for the profits system to continue to operate in the event of shortfalls of as much as two million barrels of oil a day. These shortfalls far exceed those experienced during the Arab oil embargo of 1973-74 or the Iran crisis-related shortages of 1979, Goss pointed out.

He estimated that a six-month long shortfall of that size would give the oil industry a windfall of more than $100 billion in profits.

GOSS NOTED that the committee, recognizing that the near total cut-off of oil imports could not be handled by the market system, also recommended a stiff, rebatable consumption tax to be levied on top of the pricing system to further cut back on demand.

A better response, the OCAW president said, would be rationing and a workable system of product allocations. But he noted that the committee is almost unanimously opposed to rationing for reasons that are "self-serving."

"Rationing would reduce demand," Goss said, "and with lower demand there would be less upward pressure on prices, even if prices were controlled. The forces of supply and demand would be balanced, and oil prices would stay down with lower profits to the oil companies."

A SYSTEM OF "recycling" government revenues from taxes on gas and oil is untested and could mean burdening government agencies such as the Internal Revenue Service with the handling of "amounts of money that could exceed the gross federal budget" during the emergency, Goss charged.

"We are not anti-industry," he emphasized. "We are part of the industry and represent the workers in the industry."

His criticisms of the committee's report do not extend to all its recommendations, many of which are excellent, Goss told reporters.

Calling the committee's draft "self-serving" and the committee itself "not representative of the public," Goss explained that his dissent was intended to help prevent the recommendations from becoming government policy.

THE DRAFT will be sent to the full National Petroleum Council for approval on Mar. 16, and the NPC will consider it before transmitting it with its own recommendations to the Energy Dept.

The report will not be adopted "if the public yells loud enough," Goss said. He expressed the hope that the airing of his dissent would prompt "yells of dismay about this report" that will reach "the highest levels" in the Administration and Congress.

Labor Cites Heavy Costs Of Jobless Benefit Cutback

(Continued from Page 1)

into consideration past work history and experience, as well as length of unemployment.

- Deny unemployment insurance protection to members of the armed services who leave the military voluntarily when their enlistment is up.

SEIDMAN NOTED that Congress has in the past ignored urgings by presidential commissions and the AFL-CIO for federal standards on unemployment insurance benefits to assure adequacy.

Now, he said, the Reagan Administration is proposing to use the mechanism of federal standards to achieve its unemployment insurance cutbacks—despite its repeated insistence that it wants to transfer power from the federal government to the states.

It would be bitter irony, Seidman suggested, for Congress now to use federal standards to "force states to withdraw the protections that unemployed workers now have."

ON ADMINISTRATION proposals dealing with cuts in welfare assistance to the poor and in social services, Seidman warned that the retrenchments sought would be self-defeating as well as unjust.

Inflation has already cut severely into the buying power of public assistance benefits, Seidman said. And budget cuts sought by the Administration, he charged, would make it more difficult for people to get free of welfare dependence.

Under the Reagan budget cuts, he said, "child care programs allowing mothers to seek and maintain jobs would disappear. Medical care, food stamps, energy assistance and child nutrition programs would be drastically cut back . . . job and training programs would be eliminated." Other retrenchments would affect services for the elderly and adoption assistance for homeless children.

"THE AFL-CIO will fight the enactment of legislation which would result in throwing tens of thousands of poor children out of day care, deprive the homeless of needed foster care, cut off services to the elderly and generally make the lives of the poor more miserable," Seidman told the subcommittee.

Committee Backs Two Nominees For Labor Dept.

The Senate Labor & Human Resources Committee recommended confirmation of Albert Angrisani as Assistant Secretary of Labor for Employment & Training and Timothy Ryan, Jr., as Solicitor of Labor, paving the way for action by the full Senate.

Ryan was endorsed by the panel over the objection of the Graphic Arts union, which charged that he had served as a "consultant" as well as an attorney to anti-union activities of Rand-McNally and the Master Printers of America, a trade association.

A statement by GAIU Vice President Edward V. Donahue said the union is of the opinion that Ryan "flagrantly ignored" Landrum-Griffin Act requirements that third-party consultants to employers involved in representation elections must file reports of their activities and expenditures.

Ryan told the Senate panel that he would not participate in any matters that came before his office involving Rand-McNally or the Master Printers of America.

The committee put off action on the nomination of Thorne Auchter as Assistant Secretary for Occupational Safety & Health to allow members to submit written questions after confirmation hearings had to be cut off because of the lateness of the hour.

Faint Signs of Revolt

Drastic Budget Cuts Stir Opposition in Congress

By David L. Perlman

The first faint signs of revolt against Reagan Administration budget decisions began to surface in congressional committees that have been asked to concur in the destruction of federal programs they helped bring to life. But the rebellion is not yet deep enough to alarm Administration loyalists.

Thus far, only the House Post Office & Civil Service Committee has refused to endorse any major spending cut within its jurisdiction. On a party-line vote, the committee's Democratic majority rejected sharp cuts in postal service funds and opposed tampering with cost-of-living adjustments for retired federal workers.

ON THE SENATE Labor & Human Resources Committee, liberal Democrats were outvoted in their efforts to prevent drastic slashes in health, education, jobs and social service programs. But Republicans agreed to "compromises" restoring about $2 billion of $11 billion in proposed cuts. The committee voted to increase funding for black-lung benefits, to maintain fuel subsidies for low-income households at current levels, to fund the Legal Services Corp. at about one-third of current spending instead of abolishing it outright as Reagan asked.

At a House Education & Labor subcommittee hearing, there was bipartisan outrage at an Administration proposal to slash school lunch programs. And there were other panels where there were signs of resistance to specifics of the Reagan budget.

But the White House exuded confidence that the President's program would be changed only in details and that a conservative coalition in the House and a Republican majority in the Senate can control the budget-setting mechanism so as to enact a large part of the President's program by mid-summer.

THE LITTLE-UNDERSTOOD budget process is the vehicle chosen by the Republicans to accomplish the rewriting of laws and the reshaping or abolition of programs through a single piece of legislation.

The process now under way—consideration of the Administration's budget proposals by the legislative committees responsible for the various programs—is merely advisory. The committees, supposedly by Mar. 20, will pass on to the separate budget committees of the House and Senate their estimates of spending needs for programs in their jurisdictions. But the budget committees are not bound by these estimates.

Thus, Senate Budget Committee Chairman Pete V. Domenici (R-N.M.) said he intends to resist attempts to moderate the President's budget proposals. There is likely to be more reshuffling of the Administration figures in the House Budget Committee, where Chairman Jim Jones (D-Okla.) has said his panel will try to find some alternate "savings" to lessen program cutbacks.

BUT WHILE the Democrats hold a 242-191 margin in the House, the election decimated liberal ranks, and a 44-member Conservative Democratic Forum "complained" that the President hadn't gone far enough in cutting the budget. One additional "saving," the largely southern bloc suggested, would be repeal of the Davis-Bacon Act, which requires payment of local prevailing wages and benefits on federally-funded construction projects.

The key to the Republican strategy is the budget reconciliation process, seldom used until last year.

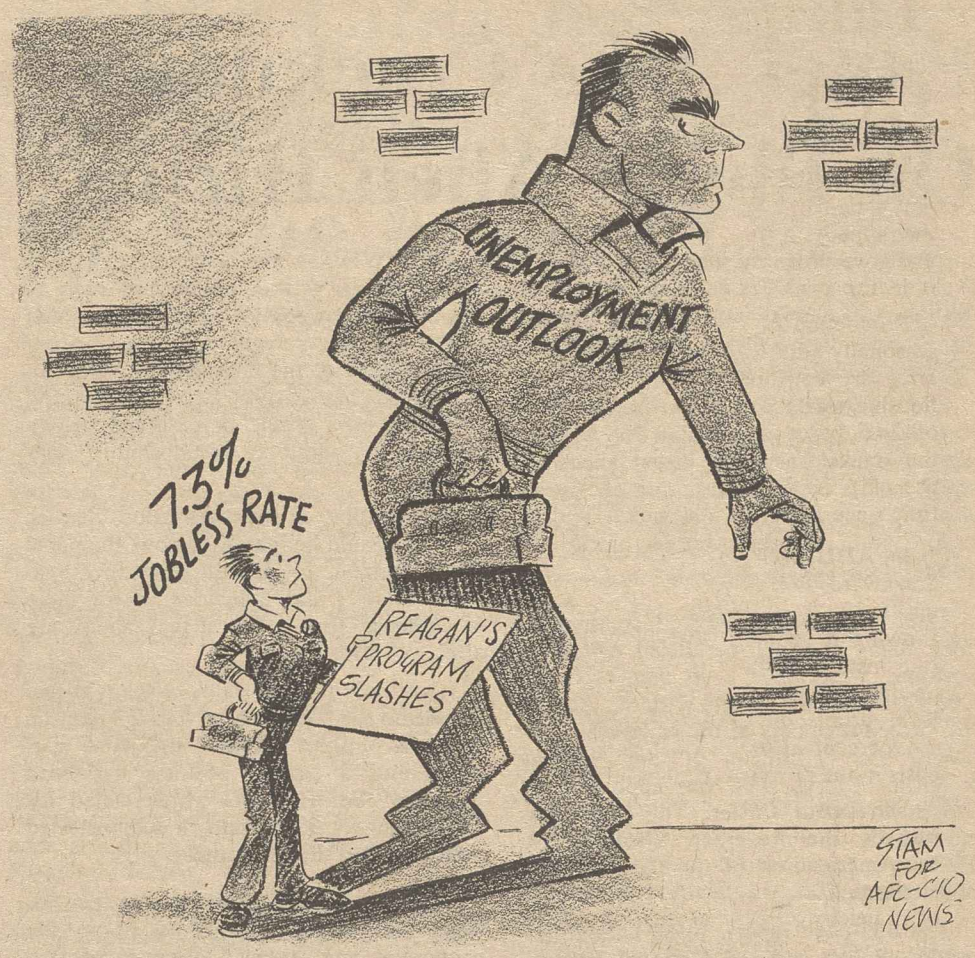
The budget resolution that will be sent to the House and Senate floors will include instructions to the various legislative committees to make cuts of specified amounts in various program categories within their jurisdiction. In some cases, the committees will have a degree of leeway in where to make the cuts; in others, the magnitude of the cutbacks virtually dictate the action to be taken.

MOST OF THESE cuts will be achieved by changing permanent laws—thus affecting government programs in future years as well as the forthcoming fiscal year.

The changes thus required of each committee will then be incorporated into a single reconciliation bill—and that's the vehicle the Administration hopes will carry the bulk of its economic program. The tentative target date is mid-July.

The Administration's tax proposals will be considered separately, and the first battleground will be the House Ways & Means Committee. While there is general agreement that a tax bill will be enacted this year, reservations about the Administration proposal have been expressed by Republicans as well as Democrats.

The larger the tax cut, the bigger the budget deficit. But the Administration's economic strategy calls both for heavy cuts in federal outlays and tax cuts it hopes will stimulate business expansion.



Dip in Jobless Rate to 7.3% Masks Worsening Outlook

Unemployment edged down to 7.3 percent in February, after holding at 7.4 percent for two months, but the slight decline does not mean any improvement in the nation's job picture in the coming months, the Reagan Administration warned.

To the contrary, Labor Sec. Raymond Donovan said joblessness is likely to get worse partly as a result of the massive cuts in federal funds for youth employment and training programs that the Administration has called for.

DONOVAN TOLD the congressional Joint Economic Committee chaired by Rep. Henry Reuss (D-Wis.) that phasing out public-service jobs between now and the end of September will lead to increased unemployment that cannot immediately be absorbed by the private sector.

"I don't believe in the next six months that the private sector will be able to employ" all those displaced as a result of reductions in budget outlays under the Comprehensive Employment & Training Act, Donovan said.

The Administration's official projection of an average 7.8 percent unemployment rate for 1981, with a 7.7 percent rate in the fourth quarter of the year, implies a steep rise in the jobless rate this spring and summer and a falling back in the autumn.

THE DECLINE of one-tenth of 1 percent in the February jobless rate was statistically insignificant and left unemployment about where it has been since last summer. The slight improvement over the month benefited women workers most. Their jobless rate declined two-tenths of 1 percent to 6.5 percent.

Teen-age unemployment reached 19.3 percent as it kept up its steady climb, however. The percentage was three-tenths of 1 percent higher than January's level. Unemployment among black and other minority teenagers declined 1.1 percent to 35.4 percent, remaining at a severely high level.

In releasing its monthly report on the nation's employment situation, the Bureau of Labor Statistics observed that jobless rates for most other major worker groups were also substantially above their year-earlier levels. The February rate for adult men was 6 percent, for whites 6.6 percent, Hispanics 12 percent, and black and other workers 13.1 percent.

BLS COMMISSIONER Janet Norwood, in her turn before the Joint Economic Committee, noted that one of the key labor force indicators last month was weak and "bears watching." She pointed to the average length of the factory workweek which, after rising steadily since last summer, fell off by 36 minutes, an unusually large drop.

"It is difficult to evaluate the importance of this decline since the data were affected by extremely bad weather conditions during the survey reference week in the heavy manufacturing areas of the Midwest and central United States," she said. The bad weather also was responsible for a sharp, over-the-month curtailment in weekly construction work hours, a drop from 38.4 hours in January to 35.9 in February, she said.

Total employment grew by 231,000 to 97,927,000 last month, outstripping growth in the labor force, which rose 138,000 to 105,681,000, and reducing the total number of unemployed workers 93,000 to 7,754,000.

Unemployment among major industry groups showed little change, with the greatest increase coming among agricultural workers, where the jobless rate rose from 11.5 percent to 12.1 percent over the month.

Fuel Costs Pace Wholesale Price Rise

Producer prices for finished wholesale items rose another eight-tenths of 1 percent last month, mostly due to higher energy prices, the Bureau of Labor Statistics reported.

Prices for finished energy goods went up 3.6 percent in February, the fourth consecutive large monthly increase and the largest since March 1980.

GASOLINE prices moved up 4.7 percent, following a 2.5 percent rise in January, and home heating oil prices rose 6.5 percent, after a 5.7 percent increase the month before. Over the past year, gasoline at the wholesale level has risen by 22.4 percent and fuel oil by 27.4 percent.

Most of the increase in energy prices last month was attributed to the round of price hikes announced by the Organization of Petroleum Exporting Countries in December and January. The decontrol of energy prices begun by President Carter and continued by President Reagan also resulted in substantial price rises for fuel oil and gasoline.

The February increase in producer prices for finished goods compared with increases of nine-tenths of 1 percent in January and five-tenths of 1 percent in December.

In issuing the new figures, the BLS said its finished goods price index was 10.4 percent higher in February than a year earlier.

The bright spot in the report was a drop of six-tenths of 1 percent in the wholesale price level of food items ready for retail sale, the first actual decline since April of last year. Consumer finished food prices showed no change in January.

PRICES FOR beef and veal, pork, and processed poultry all continued to fall in February. Fresh fruit prices averaged lower despite a sharp rise for Florida oranges. Prices also were lower for refined sugar.

On the other hand, prices for fresh and dried vegetables and whole black pepper rose, after declining in January. Prices for orange concentrate, fresh orange juice, and canned orange juice all rose sharply over the month. Peanut butter prices were up 6.6 percent, the fourth consecutive sharp monthly increase.

Finished consumer goods, not including food, increased 1.3 percent, compared with 1.2 percent a month earlier.

PRICES FOR capital equipment continued to rise briskly, and were up overall by 1.1 percent. Contributing to the increase were higher prices for heavy motor trucks, construction machinery, commercial furniture, railroad equipment, farm machinery, photographic equipment, plastic and rubber industry machinery, pumps and compressors.

Prices at other levels of production also rose last month. The rate of increase for intermediate goods — those requiring further processing—slowed to four-tenths of 1 percent in February after two consecutive monthly increases of 1.2 percent. Prices for crude goods jumped 2.9 percent, following a 1-percent decline in January; soaring prices for crude energy materials were the primary factor, BLS said.

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High Interest Taking Toll Of Economy

A fresh batch of reports on the economy's performance in February gave further support to predictions of both private and government economists that the nation is in for a further downturn this year.

Production of American factories fell a seasonally adjusted five-tenths of 1 percent after six consecutive monthly increases; housing starts plunged at an annual rate of 24.6 percent; personal income rose at the smallest rate since June, and factory use of potential capacity fell for the first time since July.

IN ADDITION, the government revised downward its final reading of fourth-quarter 1980 "real" gross national product, showing it grew at a 3.8 percent annual rate instead of the 5 percent annual rate originally reported. Reflecting the downturn, profits of U.S. businesses were off 2.4 percent after taxes on a year-to-year basis in the October-December quarter.

The new statistics clearly showed the inroads of continuing high interest rates on the American economy. The auto industry is running at between 55 and 60 percent of capacity because prospective buyers either cannot afford the finance charges or obtain loans in the first place. The steep drop in the housing market was due chiefly to high mortgage rates, which hovered near a national average of 15 percent in January and have climbed even higher since.

FEBRUARY'S decline in industrial production followed increases of four-tenths of 1 percent in January and 1 percent in December, the Federal Reserve Board said. Business equipment production declined three-tenths of 1 percent. Consumer goods output fell six-tenths of 1 percent, while production of materials was down three-tenths of 1 percent.

The modest rise of seven-tenths of 1 percent in personal income was the smallest since an increase of six-tenths of 1 percent last June. Meanwhile, the personal savings rate, which is reported after a one-month lag, was 4.4 percent in January, the lowest since the Commerce Dept. began keeping monthly tabs on it in 1959 and only slightly above the 4.2 percent savings rate for the first quarter of 1951.

THE HOUSING industry slump, long predicted by analysts, reflected a 21.5-percent decline in starts of new one-family houses and a 29.5-percent drop in starts of multi-family residences, both figures expressed in terms of annual rates. Permits for future housing construction fell 6.9 percent in February, the third consecutive month of decreases.

The utilization rate of the nation's factories fell to 79.3 percent of their theoretical capacity in February, a drop of seven-tenths of 1 percent over the month. Analysts said that the low level of auto industry production reflected continuing efforts to trim inventories.

Labor, Coalition Mount Fight to Preserve Gains



ADVERSE SOCIAL and economic impact that would result from a sub-minimum wage for teenage workers was spelled out by Jessica Smith, executive director of Frontlash, for high school students participating in the Presidential Classroom for Young Americans. The students, coming from all parts of the country, were in Washington to study the workings of government.

Battle Waged In Congress Over Budget

By David L. Perlman

Labor and its coalition allies are lobbying on Capitol Hill to save a generation of progressive legislation and working in the nation's congressional districts to build back-home awareness of the magnitude and harshness of President Reagan's proposed budget.

Legislative representatives of the AFL-CIO and the various unions testified at House and Senate hearings against cutbacks in job safety inspections and slashes in the food stamp program.

THEY ALSO defended youth employment and job training programs and objected to doing away with all public service jobs when the private sector is still such a long way from full employment.

At other hearings, they protested reductions in social security protections and proposed alternatives to deal with the social security system's immediate funding needs.

They warned that slashing railroad passenger service would be self-defeating and questioned why lower-income taxpayers should have to subsidize additional tax breaks for those with more money.

THERE WERE some stirrings of response, more so in the House than in the Republican-controlled Senate.

The boldest step came from the Democratic majority of the House Education & Labor Committee.

On a series of 20-14 votes, split along party lines, the committee told the House Budget Committee that it opposes the

(Continued on Page 3)

AFL-CIO Alternative

Program to Strengthen Social Security Outlined

The social security system can be kept financially sound without cutting back benefits or raising the payroll tax rate to unacceptably high levels, the AFL-CIO insisted at House hearings.

Social Security Director Bert Seidman urged a Ways & Means subcommittee to head off a funding crisis through an infusion of general tax revenues to supplement the payroll tax.

SEIDMAN SAID the first step should be to use general revenues to pay half the cost of the Medicare hospitalization insurance, which is now funded through a 1.3-percent payroll tax. Half the Medicare tax could then be shifted to the basic old age, survivor and disability insurance cash benefits program. Thus, the total payroll deduction could be held to the current level of 6.65 percent for workers and employers, Seidman said, averting a short-term crisis.

The 50-50 financing of Medicare was also endorsed in the just-issued final report of the National Commission on Social Security, which made a two-year study of the system.

But Seidman and dissenting members of the commission took sharp issue with some of its other recommendations, including a proposal to raise the retirement age from 65 to 68.

THE COMMISSION proposed that the increase in "normal" retirement age begin 20 years from now, with persons who thereafter choose to stop working at 65 being entitled only to a reduced pension.

Dissenting from the recommendation were commission members Joyce D. Miller, who is a vice president of the AFL-CIO and of the Clothing & Textile Workers; Elizabeth T. Duskin, research director of the National Council of Senior Citizens and vice chairman of the commission, and Wilbur J. Cohen, now a University of Texas professor and former Secretary of Health, Education & Welfare.

They questioned the need for the change, said encouragement of people to work long should not be done "in a punitive manner," and noted that the longer life expectancy that is used to justify the change does not necessarily mean more years of good health.

In his testimony before the House

(Continued on Page 7)

House Unit Spotlights Role Of Anti-Union Consultants

A House subcommittee has turned a spotlight on the role of management consultants who are hired to break up union organizing campaigns or to try to get rid of unions that are already established.

The panel's report on pressures in the workplace is based on hearings held during the 1979 and 1980 sessions of Congress by the Subcommittee on Labor-Management Relations. The report on what management gets for the $500 million a year it spends on consultants was signed by all 12 Democrats who served on the subcommittee during the 96th Congress. The six Republican members disassociated themselves from the overall report, but said that as individuals they could "probably agree" with portions of it.

A KEY AREA of concern was whether the Labor Dept. has been lax in not compelling consultants to report on their actions in fighting off union organizing.

While there is some question of interpretation of the law, the report noted, it found the Labor Dept. should be more diligent in enforcing the disclosure law.

"Virtually every union is required to and does report its activities," as required by the Landrum-Griffin Act, the panel noted. It termed it "inequitable" that the Labor Dept. doesn't require consultants to disclose their involvement, even when they are "clearly running management's anti-union campaign."

AS TO THE role of consultants in seeking decertification of unions that already hold bargaining rights, the report notes that "the law is clear" that decertification procedures can be initiated and pursued only by employees, without management involvement.

"Nevertheless, evidence indicates that consultants are increasingly involved with campaigns to decertify unions and advise employers how to prompt them."

(Continued on Page 3)

Job Protections Threatened by Funding Cutback

The AFL-CIO urged the House Appropriations Committee to resist funding cuts that would weaken labor law enforcement, force sharp reductions in workplace safety and health inspections, curtail federal mediation services and lessen compliance with federal wage-hour standards.

Legislative Rep. Peggy Taylor told a subcommittee handling appropriations for the Labor Dept. and related agencies that the budget proposed by the Carter Administration before it left office represents the minimum needed to maintain existing services.

SHE WARNED that the non-binding recommendation made by the Senate Labor Committee to the Budget Committee would have "a disastrous effect" on worker protections and labor-management relations. The Senate panel had proposed re-

(Continued on Page 7)

Cutback in Food Stamps Challenged

Cuts in the food stamp program will penalize the unemployed and the needy and Congress should reject them, the AFL-CIO told a House Agriculture subcommittee on nutrition.

Legislative Rep. Kenneth Peterson termed the federal food stamp program the "principal defense" against hunger for the poor and the long-term jobless.

"The Administration's misguided efforts to cut benefits to those who are receiving food stamps should be directed instead to reducing the number of poor who need them," Peterson emphasized.

THE SIZE OF the food stamp program is directly related to the lack of growth in the economy, he pointed out. Each additional 1 percent of unemployment increases food stamp program participation by 1 to 1.2 million persons while every 1 percent increase in the rate of inflation adds $100 million to the program's costs, Peterson noted.

Participants in the program, which provides an average of 44 cents a meal for food, are already below the poverty line, Peterson told the subcommittee, either because they have low incomes or because large numbers of dependents and high expenses for shelter and other necessities bring their net incomes below the official poverty level. In the light of those statistics, the Administration's claims that its proposed cuts in the program will not hurt the "truly poor" are "patently false," he declared.

Anyone fulfilling the strict income and asset eligibility requirements of the food stamp program should be entitled to receive its benefits promptly, Peterson said. The proposed "retrospective accounting" system that would determine whether a person was eligible for food stamps based on past income rather than current need would lead to serious hardship, he said.

"Using this method for determining eligibility," Peterson pointed out, "would mean that a worker who has suffered a recent job loss or who has run out of unemployment insurance would have to suffer a period of several weeks with no income before being eligible for food stamps with which to feed his or her children."

THIS SYSTEM would also penalize migrant workers and others with low, fluctuating incomes and could be used to deny food stamps to strikers and their families who would otherwise qualify on the same basis as other needy Americans, Peterson observed.

Although strikers account for only two-tenths of 1 percent of food stamp recipients, they are repeatedly singled out for attack, he noted.

The proposal to make families already getting food stamps mail in a monthly income report or face automatic loss of their benefits would be a "serious hardship" for the elderly, the blind or disabled, and people who speak no English or are functionally illiterate, he pointed out.

WITH INFLATION continuing to push up the costs of necessities such as shelter and fuel—a fact beyond the control of the poor—Peterson branded as unjust the Reagan Administration's proposal to drop the shelter and energy inflation adjustments from the formula for determining eligibility for food stamps.

He gave low marks to the Administration's plan to reduce food stamp benefits to all families with children enrolled in schools with subsidized lunch programs.

This proposal alone would cut the amount of food stamps available to an estimated 43 percent of recipients, Peterson pointed out. The cuts would amount to about $12 a month for each child in a poor family. When it was originally put into effect by the Agriculture Dept., the school lunch program was intended to complement nutrition programs not replace them, and they should be left intact to perform that function, Peterson said.

He pointed out that Administration proposals to slash all households from the food stamp program after July 1 if their gross incomes exceed $11,000 a year would hit hardest at those people who are trying to work their way out of dependence on public programs.

Stressing that the poor are the victims of a poor economy not the cause of it, Peterson said proposed changes in cost-of-living adjustments for food stamp benefits would create long lags, throwing an already low allotment further out of line with actual food costs.

THE AFL-CIO testimony also opposed cutbacks in the successful supplemental food program for women, infants and children. The Administration's intention to slash $300 million from the program, some 30 percent of its operating budget, will mean an end to food supplements for about 700,000 low-income women and children, Peterson estimated.

Another proposal to cut some $1 billion out of the child nutrition program will affect all children now receiving school lunches and those in child care centers, Peterson noted.

He said the AFL-CIO believes the food stamp and nutrition programs are "absolutely essential to prevent hunger and starvation for millions of unemployed, poor and elderly Americans" and their families.



HARD ROCK, stone, sand and gravel miners should remain under the protection of the Mine Safety & Health Administration and not be transferred to the Occupational Safety & Health Administration, the Cement, Lime & Gypsum Workers and the Steelworkers told the Senate labor subcommittee. Testifying are, from left, Tom Balanoff, CLGW safety and health coordinator; CLGW President Thomas F. Miechur; USWA Legislative Director John Sheehan; and a local union member, Wendell Pelke, a Vermont stone cutter.

Unions Oppose Elimination Of Mine Safety Coverage

Two AFL-CIO unions called on Congress to continue the protection of surface stone, sand and gravel miners under the Mine Safety & Health Act.

In testimony before the labor subcommittee of the Senate Labor & Human Resources Committee, the Steelworkers and the Cement, Lime & Gypsum Workers urged the panel to reject bills that would transfer safety jurisdiction for almost half the nation's non-coal surface mines to the Occupational Safety & Health Administration along with coverage of certain surface mine work performed by independent contractors.

"IN JUST the three years that the MSH Act and Administration have been in effect," CLGW President Thomas F. Miechur told the committee, "we have witnessed an appreciable decline in the rates of fatalities and injuries for stone, sand and gravel miners."

John Sheehan, Steelworkers' legislative director, called the legislation "an essential and irreplaceable part of a worker-sensitive safety and health protection system" in a dangerous industry.

Both unions rejected industry claims that MSHA is more applicable to deep underground coal mining than to surface mining, that the latter is similar to OSHA-protected construction work or is "safer" than other types of mining.

WHEN THE surface mining industry was covered by the less stringent Metal & Nonmetallic Mine Safety Act of 1966, the unions pointed out, the industry did not object to its mining classification, especially after passage of OSHA in 1970.

"It was only after the passage of the stricter MSHA law that the stone, sand and gravel operators decided that they were not 'miners' after all," Sheehan observed. He pointed out that MSHA was written to parallel OSHA in many ways with special inspection, shutdown and penalty provisions related to the hazards of the mining industry.

The surface mining industry is redefining its activities as a convenience to itself, the unions charged, in an effort to avoid coverage under MSHA with its strict mining rules and stronger enforcement powers.

THE UNIONS emphasized that the safety and health experience of surface stone, sand and gravel mines demonstrate that they are just as hazardous as other types of surface mines, coal and noncoal.

The surface mining industry is dangerous, Miechur stressed, adding that the MSHA has helped reduce the hazards. "Congress must realize that if it exempts stone, sand and gravel miners from coverage under the Mine Safety & Health Act, the result will be more death and injury in the mines," he said.

DNC Labor Members Hit Party Group on Budget Cuts

A group of union officials who are at-large members of the Democratic National Committee accused 44 conservative House Democrats of "political malfeasance" for endorsing the Reagan Administration's attacks on long-established social and worker programs.

The charges came in a statement directed at the House Democratic Forum by 11 union representatives on the DNC.

EXPRESSING regret and dismay at the views the Democratic conservatives espoused at a White House meeting with the President, the panel said it would strive to persuade them to support the party's traditional platform goals.

Forty members of the conservative forum—largely congressmen from southern states—not only backed Reagan's sharp budget cutbacks, but went even further in calling for an additional $11.3 billion in budget slashes.

By siding with Reagan, the statement said, the conservative forum spurned the Democratic Party's heritage and denied its purpose and platform.

"FOR THESE self-proclaimed Democrats to support the present Republican Administration in its programs that would strip workers of long-accepted wage protections, the elderly of income that barely meets the ravages of inflation, the poor of government legal services, represents an act of political malfeasance," the statement said.

President J. C. Turner of the Operating Engineers, in presenting the statement at a Washington press conference, said the labor group viewed the conduct of the conservative House Democrats "more in regret than in anger."

President William W. Winpisinger of the Machinists warned that the labor members are questioning the "mode of conduct of our Democratic colleagues" and that "we will be watching" how they vote on the Reagan programs.

Evelyn Dubrow, legislative director and a vice president of the Ladies' Garment Workers, noted that a number of the conversative forum's members had labor's support in their election campaigns and should be fully aware of labor's positions on the budget. She suggested that some members of the forum may not support the statement made in their names endorsing the Reagan program.

VICE PRESIDENT Leon Lynch of the Steelworkers, who also serves on the DNC's executive committee, said the USWA is "infuriated" by actions of congressmen the union helped elect and who are now aborting the party's platform programs for the needy, elderly and workers.

Elizabeth Smith, legislative director of the Clothing & Textile Workers, said a "definite tide of resentment against the budget cuts" has been detected and predicted that the Democratic conservatives would soon be advised of those feelings by their constituents.

Auto Workers Sec.-Treas. Ray Majerus and Vice President Marc Stepp questioned how Democrats elected with labor's support could endorse efforts to dismantle many of the vital social programs that date back to the Roosevelt era.

THE PANEL'S statement stressed that Democratic Party leaders in Congress and elsewhere "must speak out now in behalf of the would-be victims of the Reagan economic program—the workers, the minorities, the elderly and the poor.

"These leaders must make it clear that the 'me-tooism' advocated by a small group of conservative Democratic congressmen does not represent the viewpoint of the vast majority of the party."

Machinists Re-Elect Winpisinger, Glover

The Machinists re-elected President William W. Winpisinger, Sec.-Treas. Eugene Glover and eight U.S. vice presidents to new four-year terms.

The 10 IAM officers emerged unopposed from a month-long nominating process in which no challengers were nominated by at least 25 locals as required by the union's constitution.

The only contest coming in the April election will be for the Canadian vice presidency between incumbent Mike Rygus and challenger Jim Goodison, both of IAM Local 1922 in Malton, Ont. Rygus was nominated by 768 locals; Goodison by 61.

Winpisinger, 56, will begin his second term July 1. Glover, 58, was re-elected to his fourth term.

The eight U.S. vice presidents are Thomas Ducy, Denver; Sal Iaccio, New York; Roe Spencer, Lake Charles, La.; John Peterpaul, Utica, N.Y.; Stanley Jensen, Portland, Ore.; Justin Ostro, Burbank, Calif.; George Poulin, Hartford, Conn., and Merle E. Pryor, Jr., Wichita, Kan.

Budget Battle in Congress

Labor, Coalition Fight Harsh Program Cuts

(Continued from Page 1)

$14 billion in budget cuts the Administration is seeking in programs under the committee's jurisdiction.

The cuts it voted to resist include public service jobs, aid to all levels of education, occupational safety and health protections, child nutrition subsidies, mine safety enforcement and a host of others.

BUT THE Budget Committee can, however, bring to the floor a bill that would direct the Education & Labor Committee to rewrite laws and spending authorizations to stay within a specified budget ceiling.

Earlier, the Senate Labor & Human Resources Committee had approved most of the Reagan budget cuts by a party-line vote with the Republican majority in command.

The president was also winning his way on a series of other committee actions, including a virtual wipeout of special trade adjustment assistance for persons whose jobs are killed off by imports. A House Ways & Means subcommittee endorsed the Administration plan to substitute regular unemployment insurance for most of the special benefits. And another Ways & Means subcommittee approved heavy cuts in unemployment insurance as well as in child welfare, low-income heating assistance and other social programs.

The Senate Budget Committee, meanwhile, was putting the final touches on its version of the budget and is counting on the GOP majority in the Senate to back the President's requests almost down the line.

WITH CONSERVATIVE Democrats going along with the Republican majority on most issues, the Senate panel went even further than the Reagan Administration had sought in cutting some social programs.

The committee deepened the proposed cutback in subsidized housing and community development programs $139 million more than the President requested. The added "savings" was then used to reduce the cut the Administration had proposed for the Export-Import Bank. Ironically, the cut in the bank funds had been cited by Office of Management & Budget Director David A. Stockman as evidence that large corporations, as well as the poor, are being required to make financial sacrifices.

The panel also voted deeper cuts in Medicare and Medicaid than Reagan had asked. And it rejected, 12-6, an attempt by Sen. Howard M. Metzenbaum (D-Ohio) to lessen the severity of the budget cuts by closing off $2 billion in tax loopholes and tax shelters for investors.

The committee did, however, moderate cuts in nutrition programs for pregnant women and infants, restore some funds for education aid to the poor and for youth job training, reject a proposed cut in black lung benefits and approve a year's reprieve for three public health service hospitals the Administration wants to close.

It also decided not to tinker with the cost-of-living formula for social security benefits as a means of cutting government outlays. The AFL-CIO had testified against such manipulation. Republican senators who had advocated it dropped the proposal after President Reagan told them he opposed it.

In the House Budget Committee, conservative Democrats are expected to line up with Republicans to support total cuts approaching the Administration target. But there is likely to be more reshuffling of the ingredients of the budget, with constituent reaction playing a more important role.

A legislative alert from the AFL-CIO and similar communications to key members around the country by the various unions and other coalition groups, spelled out the details of the Reagan budget as "a potential disaster" that would throw more people out of work and make life harsher for the jobless and the poor.

The AFL-CIO alert urged letters, telephone calls and personal visits to senators and representatives.

"Tell them you want a balanced economy, not a slashing of vital programs built over decades," AFL-CIO Legislative Director Ray Denison urged.

MEANWHILE, at every possible hearing, labor challenged the rush to dump programs and withdraw protections through the device of setting budget ceilings.

Social security, unemployment compensation, public assistance, Medicaid and other social programs stem from the belief that all Americans are entitled to a degree of protection from poverty and deprivation, AFL-CIO Social Security Director Bert Seidman stressed in testimony before two House panels.

Legislative Rep. Peggy Taylor translated proposed spending cuts into reduced enforcement of safety and minimum wage laws, and to tripling the backlog of NLRB cases awaiting action. She urged the House Appropriations Committee not to go below the stringent hold-the-line budget that President Carter sent up before he left office.

LEGISLATIVE REP. Robert McGlotten, at Senate hearings, said that with unemployment over 7 percent and at depression levels in many cities, "it makes no sense to reduce funding levels for programs that are specifically designed to develop skills and put people to work."

Instead of reducing food stamp assistance, Legislative Rep. Kenneth Peterson told a House Agricultural subcommittee, the thrust should be to reduce unemployment. It's not the average allowance of 44 cents a meal that has pushed up costs, he suggested, but the fact that each additional 1 percent rise in the unemployment rate increases food stamp participation by more than a million people.

The thrust of their testimony and the testimony of other union and coalition witnesses was that the budget does not, as the Administration claims, provide a "safety net" for the "truly needy."

RATHER, THEY pointed out at the House and Senate hearings, it is the programs marked for destruction or severe cutbacks that are in fact the safety net.

Thus, the Health Security Action Council, headed by Auto Workers President Douglas A. Fraser, noted that 45 percent of people eligible for Medicaid assistance are children, and they would be among the hardest hit by proposed funding cuts.

The Administration would pass responsibility for a host of other health care programs on to the states, but severely cut back the money to pay for them. Their concern is "with numbers and dollars," Fraser protested, rather than "people and needs."

Bommarito to Retire As URW President

Fresno, Calif.—Peter Bommarito, president of the Rubber Workers for the past 14 years, announced he will not seek reelection at the union's convention in October.

Bommarito, who is 65, disclosed his intention to retire at a URW District 5 council meeting here. He told the group that it has been an enriching experience to serve the international for the past 21 years as vice president and later as president.

He has been a member of URW Local 101 in Detroit since 1936 and was president of the local when he was elected vice president of the union in 1960. He was first elected president of the URW in 1966.

Bommarito has been a vice president of the AFL-CIO since 1969 and is chairman of the Executive Council's Community Services Committee.



STRATEGIES TO COMBAT union-busters were explored at a Chicago conference that drew some 500 union representatives. Discussing problems posed by anti-union employers and their consultants are, from left, Director Alan Kistler of the AFL-CIO Dept. of Organization & Field Services, Prof. Jack Barbash of the University of Wisconsin School for Workers and Stanley H. Ruttenberg, economic consultant. The conference was jointly sponsored by the Chicago AFL-CIO and the Illinois AFL-CIO.

Chicago Conference Tackles Challenge of Union-Busters

Chicago—No union is safe from attack from union-busting employers and their paid consultants, President Robert G. Gibson of the Illinois State AFL-CIO warned at an all-day conference on the problem here.

Gibson told the 500 union officers and representatives taking part in the conference that labor will not shrink from the challenge posed by the union-busters. To the contrary, he said, "we're going to stand our ground, and fight because . . . the union is the only safeguard for the worker."

SPONSORED jointly by the State AFL-CIO and the Chicago AFL-CIO, the conference featured speakers who reviewed various aspects of current union-busting activities including techniques unions are developing to protect their members' interests. Workshops focused on the problem as it exists today in five industries—construction, manufacturing, public employment, service employment, and transportation.

In an address to the conference, President Murray H. Finley of the Clothing & Textile Workers observed that setbacks in last year's elections have not diminished labor's influence among workers. He predicted that legislators will be looking for organized labor's support as the 1982 elections draw near. He added that in the next six months, as the full meaning of the Reagan budget cuts is realized by more and more Americans, the nation's voters will develop a better appreciation of the issues involved.

Finley pointed out that, while Reagan got the support of most voters last fall, between 55 and 58 percent of all union members who cast ballots backed former President Carter, who had the AFL-CIO's support.

ALAN KISTLER, director of the AFL-CIO Dept. of Organization & Field Services, reported on the federation's program for gathering and sharing information on the union-busters and on the seminars dealing with consultants' tactics. Teams of union organizers who know the tactics of specific union-busting firms are being developed, Kistler reported, to help individual unions withstand the anti-labor attacks.

Prof. Jack Barbash of the University of Wisconsin School for Workers discussed the changes demanded of the labor movement because the environment in which it functions is changing. The New Deal years, he noted, brought a peaceful revolution that fostered radical improvement in the lives of workers. He said President Reagan is now offering a counter-revolution, an attempt to return big business to a position of power.

BARBASH expressed the belief that labor is fully capable of changing its approaches to meet the challenge—in bargaining, internal affairs, politics, legislation and worker education.

Stanley H. Ruttenberg, a research consultant for a number of labor organizations, said the most revealing aspect of a survey of union members' attitudes was how workers felt about what they would lose through new laws. They were most concerned, he noted, about losing pensions and retirement benefits, next came medical benefits, third came wages.

House Report Spotlights Role Of Consultants

(Continued from Page 1)

The report quotes extensively from the testimony of witnesses at the House hearings, including union organizers, workers, supervisors and consultants themselves.

"Perhaps the most distressing aspect of the emergent consultant industry is the perspective it brings to labor-management relations," the subcommittee report stressed.

"IT IS A philosophy of labor-management relations which is first and foremost anti-union. The defeat of unions is an end of itself, and in many instances consultants come dangerously close to justifying whatever means are necessary to accomplish that end."

The subcommittee hearings also dealt with invasions of privacy, including the use of so-called lie detectors and electronic surveillance.

The report recommends enactment of federal legislation to prohibit private employers from requiring or asking workers or job applicants to take so-called lie-detector tests.

In a related area, the subcommittee noted that some consultants have recommended pre-employment screening designed to weed out potential union supporters, even though denial of employment because of union sympathies is clearly unlawful.

EVEN WHEN union attitudes are not the goal of the screening, much of the information sought invades all standards of privacy, the report observes.

"At issue," it stresses, "is whether men and women who are guilty of no more than desiring to work are to be required to submit to a search by private employers that law enforcement agencies are constitutionally prohibited from forcing upon suspected criminals."

The Proper Federal Role

OVER MANY DECADES, workers, the young, the very old, the disadvantaged, the economically dislocated, and the handicapped have turned to their government system for the justice that was not provided to them by the market system. And the government responded.

Programs were proposed, carefully considered, enacted by the Congress, deliberately funded, checked and reviewed—as is provided for under this nation's system of governance.

As a result, social progress was exacted from an economic system that refused to grant it. It has been a slow, painful process, but a necessary one.

The proposals that this Administration has placed before us in the past month—particularly when they are considered together with the very substantial further reductions that are planned for future years—question fundamentally the legitimate role of the federal government in labor, health, education and welfare programs. The notion that there is no legitimate role is as impractical as the idea on the other end of the spectrum that the state should be totally controlling and all services should be run by the government.

A 20-PERCENT reduction from current funding that has been proposed by the Senate Labor & Human Resources Committee to the Budget Committee would have a disastrous effect on labor law enforcement, safety and health protection and labor-management relations.

A 20-percent cut from 1981 activity levels would mean 14,000 fewer Fair Labor Standards Act investigations, 800 fewer Farm Labor Contract Registration Act investigations. The Pension & Welfare Benefits Administration would conduct 350 fewer ERISA investigations into pension plans, which in 1975 covered $460 billion in pension assets.

A 20-percent cut in safety and health enforcement would mean 12,600 fewer federation inspections and 22,600 fewer state inspections. Additionally, severe cutbacks would be made in employer consultation, employee education and standard setting.

FOR THE FIRST TIME in its history, the National Labor Relations Board has begun building up a serious backlog of cases as a consequence of the Carter Administration hiring freezes.

The 20-percent cutback would triple the current 7,000 case backlog to 25,000. The NLRB is a case-processing agency and has no control over the number of cases sent for consideration. At present approximately 50,000 cases are handled a year. The multi-year effect of compounding the 25,000-case backlog would be to grind the agency to a virtual halt.

The Federal Mediation & Conciliation Service mediates labor disputes when the parties involved request their help. In the past four years FMCS staff have been reduced by 13 percent, eliminating all "fat" and cutting administrative expenses to an absolute minimum.

The 20-percent reduction would literally mean that a significant number of disputes needing mediation assistance would not get it. The cuts would mean reductions in force and closing field offices.

—From AFL-CIO testimony before a Senate Appropriations subcommittee, Mar. 16, 1981.

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Percent of GNP

Federal Debt Getting Smaller In Terms of Ability to Carry It

By Gus Tyler

AT LEAST ONCE a year, Sen. Russell Long (D-La.) renders a valuable public service. He tells the truth about the federal debt and does so in print.

As chairman of the Senate Finance Committee, he has been using his prerogative to ask the U.S. Treasury to give him the facts and figures on what Uncle Sam owes private lenders. He wants to know how big it is, what part of total public and private debt it is, and what percentage of the gross national product (total output of our economy in any one year) it is. Those are all vital facts because they tell us whether or not that debt burden is about to break our back.

AFTER SEN. LONG gets the final figures, he enters them in the Congressional Record for all to see and to study. He did so again this year. Here are the facts:

The debt is big: in 1979, it was $546 billion. In 1945, it was only $228 billion. So, in 35 years, the total debt has more than doubled.

The burden has become bigger, much bigger; but the shoulders to carry that burden have grown even more rapidly than the debt itself. The "shoulders" are the GNP, the mighty output of this country. In 1945, the GNP was only $212 billion; in 1979, it was two and a half trillion. As a result, our federal debt in 1945 was 107 percent of the GNP; in 1979, it was a mere 22.6 percent.

TAKE THESE statistics personally, if you please. Would you rather be a person whose income is $10,000 a year with an indebtedness of $11,700 or someone with an income of $70,000 a year with a debt of $25,000?

While the federal debt has been going down as a portion of the GNP, private indebtedness has been on the rise. In 1945, all private debt—individuals and corporations—was only two-thirds of the GNP, but by 1979 that private debt had risen to 137 percent of the GNP. (State and local government debt has remained fairly steady as a portion of the GNP.)

So we discover that the big borrowers, the big spenders, the big debtors are the great American corporations and just plain consumers like you and me—and not Uncle Sam. Today his debts are only 15 percent of all the indebtedness in this country, a big reduction since 1945 when the federal debt was 60 percent of all debt.

For good measure, Sen. Long threw in another fact by comparing the federal debt with all wages and salaries in the country. In 1946, the public debt was 240 percent of worker earnings; in 1980, it is only 68 percent.

IN SHORT, if we view the federal debt in terms of ability to pay, we are far better off today than we were in the first years after World War II.

The facts appear on page S 993 of the Congressional Record for Feb. 5, 1981. I mention that because you are not likely to be exposed to these startling statistics easily if you don't know where to look. Apparently, the plain truth is just too embarrassing to those who insist that we must cut our budget to the bare and bleeding bone if we don't want to go broke as a country.

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How Consultants Sour Workplace Relations

There is a growing trend on the part of management to contract out for specialists . . . consultants entrusted with the task of keeping a company "union free."

Perhaps the most distressing aspect is the perspective it brings to labor-management relations. It is a philosophy of labor-management relations which is first and foremost anti-union. The defeat of unions is an end of itself. And in many instances, consultants come dangerously close to justifying whatever means are necessary to accomplish that end.

They are hired to win an election. The consultant's reputation is built upon a winning percentage. . . . The result can be lingering conflict and antagonism.

Once the election is over, the consultant is paid his fee and leaves. Management and workers are left to deal with the aftermath.

—From report of the Subcommittee on Labor-Management Relations of the House Education & Labor Committee on "Pressures in Today's Workplace."

New 'Middle Class' Created

Extremist Attacks Fail to Slow Land Reforms in El Salvador

The author of this article is executive director of the AFL-CIO's American Institute for Free Labor Development. Two AFL-CIO representatives working with an El Salvador union on land reform were slain by terrorists earlier this year.

By William C. Doherty, Jr.

FOR MANY, many years, the AFL-CIO has urged our government to support those groups (and particularly unions) whose legitimate desire for social and economic change have all too often become frustrated in the face of rightist dictatorial governments, and have become easy prey for the false prophets of the ideological extreme left. Historically, those countries which have been victimized by the deceit of communist totalitarianism, have suffered as much, if not more, from their new masters.

At the February 1981 meeting in Bal Harbour, Fla., the AFL-CIO Executive Council called for three conditions for the continuation of U.S. aid to El Salvador: a reduction of domestic violence, an expansion of the reform programs, and the calling of free and democratic elections as soon as possible.

THE AGRARIAN REFORM program, of course, has been the centerpiece of the centrist government's attempts to modernize and democratize that impoverished nation. Had not the AFL-CIO long ago opted to work closely with the democratic Peasant Workers Union of El Salvador, the reforms could not have taken place and a democratic form of government would have been unachievable.

The American Institute for Free Labor Development, founded by the AFL-CIO in 1962 to support the development of free and democratic Latin American unions, was able to respond to the requests of the Union Comunal Salvadoreña for technical advice and financial support when the political opportunity for a real land reform presented itself in October 1979.

Land reform had been studied for many years, and half-hearted attempts at reform had been made. But it was only with the appointment of José Rodolfo Viera, the secretary-general of the UCS, to head the Land Transformation Institute, that a meaningful agrarian reform program could be put into effect. With this program, a "middle class" was created—persons with a stake in democratic solutions to their political problems.

FROM THE START, our efforts to support the land reform programs have been under attack. The criticisms originate from those groups that have a vested interest in the program's failure: the Marxist left which needs discontent in the Salvadoran rural areas if they are to obtain the goal of power through violent revolution; and the extreme right which would like to regain its positions of prestige and influence through the exploitation of millions of Salvadoran campesinos.

Both extremes have lost. Despite the fact that the killings by fanatical proponents of the left and the right continue, the land reform process has been a success. It is not something yet to be accomplished—it is a fact. Of the 300,000 families of landless peasants in El Salvador before the reform, 210,000 (more than two-thirds of the total) have already received land. The land transfer was conferred on the campesinos a year ago, on Mar. 6, 1980, and the "formalization" of this process, the issuing of titles began in earnest in February 1981. The campesinos are in effective control of the land.

It would be difficult to tell these families that land reform is a "cruel hoax," as it has been called, and impossible to convince them that the program is reversible.

This success is all the more remarkable when one realizes that this historic reform has taken place in only one short year: twelve months filled by killings, torture, and repression by the communist guerrilla movement on the left and by the uncontrolled military and para-military groups on the extreme right. That crop production, under these circumstances, has been as high as the previous year is not only a great tribute to the campesinos of El Salvador, but also the best evidence of the program's success.

THIS SUCCESS does not, or should not, suggest complacency. The fighting continues and many dangers to El Salvador's future are presented to us daily in the press. Nevertheless, the government of El Salvador has begun making preparations for elections to be held in 1983, an event that would not have been worth mentioning a year ago.

The campesinos of El Salvador still risk their lives to obtain freedom from economic and political repression. But in this effort, they know that they will continue to have the active support of the AFL-CIO, through the AIFLD, which has suffered tragic losses in El Salvador along with the campesinos through the brutal murders of Mike Hammer and Mark Pearlman. A successful land reform program and a democratic political solution is their lasting memorial.

Coupled with Reagan Cuts

Tuition Tax Credit Proposal Called Threat to Public Schools

TUITION TAX CREDITS could destroy the nation's system of free public education, President Albert Shanker of the American Federation of Teachers warned in a network radio interview.

Taxpayers should not be forced to pay for essentially "private services" that are not available to everyone, Shanker declared. He said that principle should be preserved whether the private service is a security force, a swimming pool or a school. He urged Congress to reject the Packwood-Moynihan proposal to grant tax credits for 50 percent tuition costs up to $500 a year per student.

Public schools have a responsibility to accept everyone who applies, Shanker pointed out, while private schools are free to pick and choose. "That's not very fair competition," he asserted on Labor News Conference.

SHANKER SAID the deep cuts in education grant programs proposed by the Reagan Administration would have a severe impact on the nation's public schools, particularly those in a score of major cities that have already cut back large numbers of teachers and guidance counsellors and are still on the brink of bankruptcy. He said the proposed $4 billion cut in aid to poor families, handicapped children, nutrition and bilingual education programs—coupled with a drastic cut of CETA workers and the proposed tuition tax credit scheme—will further damage the quality of public education.

Shanker predicted that if the Reagan plan is approved, "a dual system of education" will develop rapidly in the United States and "the children are going to suffer."

Reporters questioning Shanker were Stephenie Overman of the National Catholic News Service and Jerome Cahill of the New York Daily News. The program is produced by the AFL-CIO as a public service and is broadcast weekly on the Mutual radio network.

Full Measure of Quality!



UNION LABEL AND SERVICE TRADES DEPT., AFL-CIO

Washington Window

By Press Associates, Inc.

AFTER A DECADE of heartening progress in the struggle to reduce hunger and malnutrition in America, the Reagan Administration and some in Congress apparently want a cease-fire.

If the Reagan budget-cutters succeed in winning cuts of nearly 20 percent in food stamps and 35 percent in child nutrition programs, the recent hard-won gains will be seriously undermined.

The food stamp program has been reviewed periodically and tightened up and is mainly helping those whom it was intended to help. The Census Bureau recently issued this data about the recipients:

"About 7 percent (5.9 million) of U.S. households received food stamps in 1979. Median income of this group was $5,300 (compared with $16,530 for all U.S. households), and 60 percent had annual income below the poverty level in 1979."

THE REPORT said 42 percent were families in which the family head was female with no husband present; in 35 percent the family head was black; and in 10 percent the family head was of Spanish origin.

"The average annual value of food stamps received by all households was $810," the report said. That comes to $15.58 per week.

In 1967, when teams of Field Foundation doctors visited the Bronx, the isolated areas of Appalachia, the Mississippi delta, coastal South Carolina, the barrios of Texas and the migrant camps of Florida, this is what they told Congress they had found:

"Wherever we went and wherever we looked, we saw children in significant numbers who were hungry and sick, children for whom hunger is a daily fact of life. . . ."

Ten years later, in 1977, six teams of doctors returned to the same poverty areas. The outward evidence of poverty may have been there still—poor housing, schools and health services—but there was one noticeable change:

"Our first and overwhelming impression is that there are far fewer grossly malnourished people in this country today than there were ten years ago . . . children with swollen stomachs and dull eyes and poorly healing wounds characteristic of malnutrition—such children are not to be seen in such numbers."

THE FOOD STAMP, child nutrition and the women, infants and children programs "made the difference," according to the doctors' report.

Yet, in its quest for big budget cuts, the Reagan Administration is going after the food stamp program in particular and is relying on old myths.

One myth is that food stamps are used by people too lazy to work. But the U.S. Dept. of Agriculture in a 1979 survey reported that 53 percent of the 22 million food stamp users were children under age 17. Eight percent were elderly. The remainder were mostly disabled and very poor working people. Those considered employable must be actively seeking work.

More than half of all families getting stamps had no liquid assets whatever. Some 70 percent did not own cars and only 29 percent owned their homes. Amendments by Congress have tightened eligibility to permit assets of only $1,500 for the non-elderly and $3,000 for the elderly.

Some critics say food stamp benefits are too generous and are used to buy luxury foods.

The rising costs of the food stamp program have been due not to fraud or abuse, but rather to the nation's stagflation.

Since every 1 percent rise in unemployment adds $1 billion to the cost of the food stamp program, continuing high-level unemployment keeps the program costs high. Rising employment would not only bring down food stamp costs but would increase federal revenue as well, so the sounder remedy lies more in economic growth policies than in budget cuts.



FREE PUBLIC SCHOOLS are threatened by the push for tuition tax credits and the deep cuts in education programs President Reagan has called for in his 1981 budget proposals, President Albert Shanker, center, of the American Federation of Teachers, warned on Labor News Conference. Questioning Shanker were Stephenie Overman of the National Catholic News Service and Jerome Cahill of the New York Daily News.

Rail Unions Hit Reagan's Amtrak Cuts

Budget cuts proposed by the Reagan Administration for Amtrak, the federally financed national passenger rail service, threaten to set back the railroad's steady gains over the past decade and bring about its extinction, railroad union leaders warned Congress.

"This country cannot afford to dismiss the existence of Amtrak" simply to trim the federal budget, said Fred J. Kroll, chairman of the Railway Labor Executives' Association.

"THIS COUNTRY should not be deprived of a valuable transportation resource which it can never recover in order to save three-tenths of 1 percent of our federal budget," he said.

Kroll testified before a House Energy & Commerce subcommittee that denial of federal aid to Amtrak in anything like the magnitude suggested by the Administration would "exterminate" it as the National Railroad Passenger Corp. and reduce it to a Northeast Corridor Rail Corp.

"That act will forever remove intercity rail passenger service from our transportation system," he said. "Does the proposed national budget reduction justify the destruction of intercity rail passenger service in this nation? If our national budget must be cut, must that cut deprive all future generations of Americans of the benefits of intercity rail passenger transportation? We cannot believe that to be true."

Kroll said the future of American transportation will be determined by the availability and the cost of fuel. He warned that the day is fast approaching when gasoline may become so expensive and scarce that intercity rail service, if it exists, will be preferred to travel by private auto.

IF AMTRAK is destroyed, the country will lose what is potentially its most energy efficient means of passenger transport, Kroll said. The railroad employs some 20,000 workers, has a national orute system of about 27,000 miles serving 571 stations, and maintains a fleet of over 1,600 rail passenger cars.

Kroll suggested that if Amtrak cuts are deemed essential, budget-trimmers should take a hard look at non-revenue items. Substantial cuts could be made in items relating to the lines headquarters offices, he said.

"The fat should be cut from Amtrak before the bones are removed," he said.



UNION EFFORTS to help victims of a severe typhoon that struck the Philippines in late 1980 were aided by a grant from the AFL-CIO which bolstered the relief work of the Philippines Food & Tobacco Workers. The grant, recommended by the AFL-CIO's Asian-American Free Labor Institute, enabled the union to buy and distribute food, clothing and medical supplies to storm victims. Shown with union volunteers packing bags of supplies are Tobacco Workers President Laureano Sayas, Jr., far left, and AAFLI Program Officer Phillip A. Fishman, third from left.

Appeals Court Backs NLRB On Corporate-Wide Access

The Steelworkers won a major legal victory in principle against Florida Steel Corp., with a ruling by the U.S. Court of Appeals for the District of Columbia upholding the right of the National Labor Relations Board to grant unions corporate-wide access remedies in appropriate cases.

The USWA, with the help of the AFL-CIO's Industrial Union Dept., has been attempting to organize the company for a number of years.

The NLRB had held that an unfair labor practice at the company's Indiantown, Fla., plant was part of a pattern of unlawful conduct by the employer over the years that reflected a rejection of the principles of self-organization and collective bargaining.

CITING among other past violations, a 1975 decision in which the firm had withheld a wage increase to retaliate for its workers' union activities, the board found that extra relief was required over and above the conventional "cease-and-desist" order and "make whole" remedy. It directed that the company grant union organizers access to deliver a 30-minute speech at any plant where an NLRB-conducted election might be scheduled within a two-year period, and equal access during the same two years to respond to any management speech given workers concerning union representation.

In its decision, the NLRB said that its unusual remedy was required because of Florida Steel's "proclivity to disregard the statutory rights of its employees and their chosen bargaining representatives."

THE APPEALS COURT agreed that when dealing with recidivist violators, the NLRB "has the power—and indeed the obligation—to take into account a history of recalcitrance" in designing a remedial order. It held that the board may require access at unorganized plants of a repeater violator based on a finding that the employer's unlawful tactics at an organized plant have chilled employee rights at the other plants.

The court specifically rejected the Fifth Circuit Appeals Court's reasoning last year in another case that such a remedy was punitive, and therefore beyond the NLRB's authority. Both the union and the board have raised the same issue in this case. Florida Steel has been cited for unfair labor practices in 17 separate cases since 1974.

"We agree that access at unorganized plants may be necessary in an appropriate case to remedy a refusal to bargain at an organized plant, and that such access therefore would not be improper," the court said. It added that it would reject employer arguments of interference with property rights, and enforce such an access order in appropriate cases.

The District of Columbia Circuit, in this instance, referred the access order back to the NLRB for further consideration. It held that while the NLRB has the power to impose such access remedies, the agency failed to make explicit findings that employer misconduct at the Indiantown plant had a chilling effect on worker rights at other unorganized plants.

Court Asked to Overturn Settlement of TV Dumping

Legal action initiated by two labor and industry groups charges the Commerce Dept. with "utter disregard" of federal trade law in failing to collect several hundred million dollars in duties while 21 American companies were forced out of business by the dumping of Japanese television sets on the U.S. market.

The suit filed in the U.S. Court of International Trade challenges the Commerce Dept.'s attempt last year to settle the biggest dumping case in American history for little more than 10 cents on a dollar owed the Treasury.

THE COURT action was taken by COMPACT, the Committee to Preserve American Color Television, and by a division of the Electronic Industries Association. COMPACT is a coalition of 14 industry and labor groups, including the AFL-CIO Industrial Union Dept., which has been fighting to halt the erosion of U.S. production and jobs by TV imports.

An earlier suit the two groups initiated was stayed by the U.S. Court of Appeals for the District of Columbia to give the new Court of International Trade an opportunity to decide if it will accept jurisdiction.

The appellate court issued an injunction against the Commerce Dept.'s settlement of the 10-year-old dumping duty case for $77 million in the face of Customs Service data showing that as of 1977 Japanese exporters and U.S. importers owed nearly $400 million in duties under provisions of the 1921 Antidumping Act. COMPACT etimates that the duties have said increased to at least $600 million.

DUMPING IS THE practice of selling exported goods below the going domestic market price in an effort to break down competition.

"It is well known that Japanese 19-inch color TV sets that sold for less than $300 in the U.S. market for years were selling for $550 to $600 in Tokyo—a clear indication of dumping," COMPACT charged.

In a related action, the U.S. International Trade Commission postponed a decision on a Japanese petition to drop the 1971 dumping finding until the Commerce Dept. completes a review of the current margins of dumping.

COMPACT said there were "serious legal and factual errors" in the margin calculations currently being computed by the Commerce Dept.

The new suit argues that the dumping margins should be based on values assigned the Japanese TV sets by Japan's commodity tax system rather than on information submitted by Japanese manufacturers, which the Customs Service found to be false and inaccurate.

Jobless Rates Up over Year In Most States

Nearly all the states—42 of 46 reporting—had higher unemployment rates in January than a year earlier, the Bureau of Labor Statistics reported.

The government survey showed 28 states had increases of 1 percent or more, six of which were 2 percentage points or more over year-earlier levels.

SIXTEEN STATES reported jobless rates of 8.5 percent or higher in January compared with eight a year before. The national unemployment rate for January, not adjusted for seasonal fluctuations, was 8.2 percent, or 1.4 percent above the year-earlier mark.

The north-central region continued to be most severely affected by rising unemployment. Four of the six states in the area with over-the-year unemployment rate increases of 2 percentage points or more were in that region—Illinois, Michigan, Ohio, and Wisconsin. Similar jumps occurred in South Carolina and West Virginia.

Employment declines in construction and manufacturing occurred in all those states with large over-the-year unemployment rate increases, the BLS said.

UNEMPLOYMENT rates were 10 percent or higher in Alaska, Michigan, Ohio, Oregon, and West Virginia in January. A year earlier, Alaska, Michigan, and West Virginia had 10 percent or higher unemployment. No state had an unemployment rate below 4.5 percent in January 1981, compared with four states in January 1980.

Among major urban areas, unemployment rates rose by 1 percent or more over the survey period in 77 of the 146 reporting metropolitan centers. In 34 of those areas, the increase was at least 2 percent. In Kenosha, Wis., where there were large employment reductions in durable goods industries, the jobless rate rose by 5.6 percentage points over the year.

Mediators Enter Transit Dispute In Philadelphia

Philadelphia—Members of Transport Workers Local 234 pressed their picketing of the city's bus, trolley, and subway lines as a state mediator attempted to break the impasse in the week-old transit strike.

The mediator shuttled between offices of the union and the Southeastern Pennsylvania Transportation Authority, known here as SEPTA, in an effort to gain agreement on a new contract to replace one that expired on Mar. 14. But Dominic DiClerico, president of the local, said "we're at a stalemate."

The strike involves about 5,000 drivers, mechanics, and cashiers. Wages are not a major issue in the strike, DiClerico said. The two big stumbling blocks are the transit authority's desire to hire part-time workers for up to 5 percent of the work force and its proposal to require that maintenance employees pass written examinations before being promoted.

The union also is resisting any move to eliminate the no-layoff clause in the expired contract.

SOME 200 MEMBERS of the United Transportation Union employed by SEPTA's Red Arrow bus line were suspended when they honored TWUA picket lines.

Over the last six years, three of four contract expirations have resulted in Philadelphia transit strikes, including one in 1977 that lasted 44 days. In 1979, a new contract was reached without a strike.

ACTWU Vice President Wayne Dernoncourt Dies

Lynchburg, Va.—Wayne L. Dernoncourt, a vice president of the Clothing & Textile Workers and director of the ACTWU Textile Division's upper south region, died after a heart attack Mar. 16.

Dernoncourt, who was 62, was with the Steel Workers Organizing Committee in the late 1930s. In 1946, he joined the staff of the Textile Workers, which merged with the Clothing Workers to form ACTWU.

AFL-CIO Alternative

Program to Strengthen Social Security Outlined

(Continued from Page 1)

panel, Seidman also made the point that the burden of a later retirement "would fall disproportionately on those in poor health who cannot qualify for disability benefits and blue-collar workers whose jobs demand more strenuous physical effort."

Seidman protested Reagan Administration budget proposals that seek to hold down government outlays by permanently reducing "the level of protection for which people have worked and paid contributions" and thus break what amounts to "a social compact between citizens and government."

Continued benefits through age 21 for surviving children attending school full time are part of the insurance protection the social security system was set up to provide and should not be eliminated, Seidman said. He noted also that the Administration is at the same time trying to cut back on college student assistance, which it contends make the added years of social security payments unnecessary.

SEIDMAN PROTESTED also Administration proposals to eliminate the minimum social security benefit, which guarantees payment of $122 a month, and further tightening of disability insurance eligibility.

He outlined AFL-CIO proposals for improving the funding of social security, including general revenue payments during periods of high unemployment to compensate for loss of payroll tax income.

That concept was recommended by President Carter in 1977, Seidman noted, and was endorsed by the last Advisory Council on Social Security.

Seidman also urged a provision in the law stating that "social security benefits, like interest on the national debt, will be paid from general revenues in the event payroll taxes are insufficient."

MAKING THE present moral obligation a legal one, Seidman suggested, would shore up public confidence in the program.

He cautioned against overdependence on long-range economic and demographic assumptions in projecting the future funding needs of the program in view of the substantial margin for error.

He noted also that there are other facets to the concerns expressed that "because of the low birthrate, a proportionately smaller labor force will have to support a much larger proportion of older people."

AMONG THE offsetting factors, Seidman suggested, "a lower birthrate will mean a proportionately smaller labor force but also fewer children, unemployed and disabled." Thus, "the total dependency burden for active workers will not change much . . . the burden of the retired for the economy as a whole will be offset to a large degree by the decline in society's support required for other groups."

The national commission report also noted the uncertainty of assumptions of future birth rates and unemployment levels but argued that the protections society can give its elderly must necessarily be limited by the nation's resources and to avoid a "generalization conflict."

Miller, Duskin and Cohen viewed the commission majority's concerns as somewhat overdrawn in view of the potential of the American economy.

THEY ALSO dissented from the commission majority on proposals to modify the indexing of special security benefits during periods of high inflation as a means of holding down costs.

Any revision in the indexing, they urged, "should be a professionally independent decision by the Bureau of Labor Statistics and not by legislative fiat or political intervention."

In his testimony before the Ways & Means subcommittee and in subsequent testimony before a House Budget Committee task force, Seidman voiced concern at the impact of the Reagan budget proposals on key entitlement programs.

"SOCIAL SECURITY, unemployment compensation, public assistance, Medicaid and other social programs are not governmental acts of charity," Seidman insisted.

They stem from the belief that all Americans are entitled to a degree of protection from poverty and deprivation, he said. Labor's concern is that through the budget process, "the social progress made over so many years will now be reversed."

Laborers Aid Fund On Atlanta Slayings

Atlanta—The Laborers have given the city of Atlanta $5,000 to help pay the costs of the police investigation into the murders and disappearances of more than 20 black children in the city.

Laborers President Angelo Fosco and Sec.-Treas. Arthur E. Coia, in a letter to Atlanta Mayor Maynard Jackson, said the union "shares with you a determination that these vicious incidents be stopped and their perpetrators brought to justice."

The check was presented to Jackson by LIU Vice Presidents Robert E. Powell and Ledger Diamond, Regional Manager Howard I. Henson and Amos Beasley, Jr., business manager of Local Union 438.

House Told Fund Slashes Imperil Worker Protections

(Continued from Page 1)

ducing major enforcement programs 20 percent below this year's funding levels.

Cuts of that magnitude, Taylor warned, would mean:

- For OSHA, 12,600 fewer federal inspections and 22,600 fewer state inspections as well as reduced levels of employer consultation, worker safety education and standard setting.
- In employment standards, 14,000 fewer wage-hour investigations, 800 fewer Farm Labor Contract Registration Act investigations and 1,300 fewer federal contract compliance investigations.
- An estimated 350 fewer investigations into pension plan administration, and severe reductions in mine safety programs.
- Probable tripling of the backlog of cases awaiting action by the National Labor Relations Board and comparable damage to the workload of the Federal Mediation & Conciliation Service and the National Mediation Board, which deals with railroad and airline labor-management relations.

Taylor also urged against scuttling the Comprehensive Employment & Training Act'c program of creating public service jobs.

While it may be appropriate to shift a bigger emphasis to employment and training programs geared to the private sector, she said, a public sector program still has a place in dealing with "complex job market problems" and should not be entirely eliminated.

Likewise, Taylor urged, youth training programs should be kept intact, rather than folded in with adult job programs with a heavy funding cut.

SHE PROTESTED that Administration proposals for cutbacks in labor, health, education and welfare programs appear to have been motivated by a "purist" economic and political philosophy that appears to deny "the legitimate role of the federal government."

She objected also to the attempt to use the budget-setting process to minimize the "deliberative role" of congressional committees and to "stifle" debate.



REDUCING MANAGEMENT ranks and increasing the efficiency of operations are the keys to Conrail's financial problems, President Fred Hardin of the United Transportation Union declared at a Washington news conference. The carrier's proposed $200-million-a-year labor concessions would lop off $2,800 annually from workers' current pay of about $20,000, he said. Seated next to Hardin is UTU Vice President James Burke, labor board member of the U.S. Railway Association, Conrail's banker and overseer.

UTU Links Conrail Losses To Management Weakness

The United Transportation Union has called for a program to improve service and build business on Conrail, the federally subsidized freight railroad, by reducing the carrier's losses.

"Today this railroad system is reeling economically—dependent on federal financial support for its very survival," Fred A. Hardin, the union's president, observed at a Washington news conference.

"THE UTU, however, thinks it is possible to preserve Conrail jobs and upgrade services over the entire network while reducing federal financial assistance. Our goal must be profitability for Conrail," Hardin said.

Conrail management recommended in a recent report to Congress that the unions representing the line's 71,000 employees give up about $200 million a year through concessions in this year's round of collective bargaining. The UTU represents about 21,000 operating employees of the carrier.

"UTU is willing to do everything that is reasonable and practicable to make strong railroads," said Hardin, "but we don't think our agreements have to be raped, abandoned, as Conrail proposes."

INSTEAD, the union called for effective quality control and sound railroad business management, and pledged to do its part to cooperate. Labor's share of Conrail problems is secondary, Hardin said; "it's a management problem on scheduling and utilization of equipment."

The union proposes to apply to the troubled Conrail system the same methods that have proved successful for Japanese industry. It has already hired W. Edwards Deming, the American consultant to whom the Japanese turned in 1950 to upgrade their railroads. Now, the union will ask Congress to mandate a one- to two-year study by Deming to determine where and if cuts in the Conrail system should be made.

Hardin released a memorandum from Deming observing that "in our experience, over a wide variety of industries, service industries as well as manufacturing, the bulk of the problems that we discover—around 85 percent—are the fault of the system and hence chargeable to management. . . ."

THE UTU is urging an approach to Conrail's troubles that would pinpoint weaknesses. Hardin said it will take the cooperation of labor and management to correct the system's faults. A joint session between him and Conrail chairman L. Stanley Crane is scheduled for Apr. 24.

'80 Jobless Rate Of Blacks Double That of Whites

Joblessness among black and other minority workers last year continued at more than twice the rate among whites.

The annual average unemployment rate for minority workers was 13.2 percent in 1980, compared to an average of 6.3 percent for whites, the Bureau of Labor Statistics reported. The comparable 1979 figures were 11.3 and 5.1 percent. BLS said there were about 1.7 million minority unemployed and about 5.8 million jobless whites on the average.

Joblessness for both whites and blacks and other population groups was highest in states most directly affected by slowdowns in the automotive industry and related areas, BLS said. The highest rates for black and other races were in Michigan, 23.5 percent, and in Montana, 20 percent.

The jobless rates for white workers in most of the industrial north-central states were over 7 percent and, in Michigan, exceeded 11 percent. By contrast, the rates for whites were below 5 percent in the central farm belt of the nation from North Dakota down to Texas and in several southern states.

NEARLY ONE-THIRD of both unemployed whites and minorities were concentrated in four large states last year—California, Illinois, Michigan, and New York—where about 27 percent of the white labor force and 30 percent of the minority labor force resided.

In eight states—six in the north-central region—the unemployment rate for minorities was at least 10 percentage points higher than for whites. Only Hawaii had a rate that was lower for minorities than for whites.

In 35 of the 38 states where separate figures were available for the annual unemployment averages the jobless rates for blacks and other minorities were at least 10 percent, and in 15 states the rates were at least 15 percent.

CONVENTIONS

The Building & Construction Trades Department will hold its 1981 convention Oct. 18-25 in Atlantic City, N.J.

The Television & Radio Artists will hold its 1981 convention July 23-26 in Cleveland.

The Elevator Constructors will hold its 1981 convention in Seattle starting July 27 rather than July 19 as previously listed.

In Senate Testimony

Labor Presses Renewal Of CETA Job Program

Slashing budgets for federal job and training programs is "the wrong approach at the wrong time," the AFL-CIO told Congress.

Targeted programs under the Comprehensive Employment & Training Act aimed at providing jobs for young people, women and minorities are vital in the current period of high unemployment, Legislative Rep. Robert McGlotten stressed in testimony before a Senate Labor & Human Resources subcommittee.

McGLOTTEN'S testimony endorsed the Youth Demonstration Amendments of 1981 which would extend for one year CETA programs that provide funding to help teenagers learn skills and find employment.

The solution to the high level of joblessness among teenagers, minorities and women is a full employment economy, McGlotten told the subcommittee. But until the nation's general economic policy is directed toward full employment, he emphasized, specially focused government programs are essential to "provide the basic underpinnings" for developing skills and jobs for "the most disadvantaged groups in our society."

CETA Title III funds, McGlotten explained, have enabled the AFL-CIO's Human Resources Development Institute and similar organizations to provide specific outreach and training services for minorities, veterans, women, the handicapped, native Americans, migrant workers, ex-offenders and others.

HE EXPRESSED the AFL-CIO's concern over the Reagan Administration's proposals to turn targeted Title IV youth job programs into block grants as well as over the proposed cuts in funding. The Reagan budget suggests a total outlay for CETA programs $670 million less than for fiscal 1981 and a reduction in spending authorizations of $1.5 billion.

"At a time when unemployment is well over 7 percent and many cities in this country are in the middle of a depression, it makes no sense to reduce funding levels for programs that are specifically designed to develop skills and put people to work," McGlotten emphasized.

He stressed that cutbacks in training and employment programs will be offset by higher unemployment insurance and welfare costs and other effects of "rampant, pervasive joblessness" such as increased crime.

THE AFL-CIO called for continuation of Title IV programs such as the Youth Employment & Training Program and the Youth Community Conservation & Improvement Projects, which would assume that a specific amount of employment and training funds are earmarked for youth programs.

While block grants would not necessarily mean that teenagers would be totally ignored by CETA prime sponsors who provide training and jobs, "the fact that the Administration has thrown 350,000 public service employees out on the street" will mean stiffer competition for CETA dollars in the future, McGlotten pointed out.

"Targeting is the only way the CETA system has of assuring that all groups that need its services have a fair chance of getting them," he told the Senate subcommittee.

"THE BLOCK GRANT concept," McGlotten said, "will only serve as a means of denying our neediest, most desperate citizens of the services they need to become productive, self-supporting members of their communities."

Similarily, the proposed slash in funds for such CETA Title III programs as youth demonstration projects, apprenticeship outreach and employment counseling and placement services would "have a devastating effect on programs aimed at the most disadvantaged people in our society," McGlotten declared.

He also expressed the AFL-CIO's strong opposition to the Administration's plan to abolish the CETA public service jobs program, which he pointed out provides jobs for people who are victims of "structural" unemployment or who cannot find other unsubsidized jobs.

STRICT TARGETING of these programs from the national level assures that they go to those who need them most, McGlotten stressed.

CETA programs exist to provide jobs and skill training to the most disadvantaged people in our society, McGlotten pointed out, and reducing or cutting these programs tells those already unemployed and discouraged they are "no longer important enough to deserve our help."



PRESERVING HARD-WON RIGHTS of workers has emerged as the primary objective of labor in dealing with a conservative Congress and Administration, President Harold J. Buoy of the Boilermakers stressed at the union's legislative conference in Washington. The five-day session drew more than 300 delegates from across the country.

Congress Urged to Bar Plan To Juggle Benefit Indexing

Cost-of-living indexing intended to protect the buying power of government benefits should not be manipulated in order to impose an artificial ceiling on budget costs, the AFL-CIO declared.

A House Budget Committee task force is exploring possible changes in the indexing of various government retirement and income maintenance programs that have escalated in cost because of the high inflation rate.

AFL-CIO RESEARCH Director Rudy Oswald told the panel that the federation's position is that "the purchasing power of benefits under these programs should be maintained in full."

For the most part, he testified, the benefits go to people whose living standards would fast deteriorate without inflation protection.

"They are not in the active labor force," Oswald noted, and can't cope with inflation "by such means as getting a better job, negotiating a better benefit, starting up a business or committing resources to high-yielding money-market funds."

ONE PROPOSAL the panel is exploring would hold benefit increases to the percentage rise in either wages or prices, whichever is less.

That would be a "double-whammy" for the retired, disabled or disadvantaged, Oswald protested. "If general living standards are rising, beneficiaries would participate only to the extent of price increases," he pointed out. "If prices are rising more than wages, the modest protection afforded by benefit payments is eroded. Beneficiaries would always share real income losses, but never real income gains."

Oswald said a good case can be made for developing a separate consumer price index for retirement benefits because the cost of living expenses for retirees differ in composition from those of the working age population. Thus food, utilities and medical expenses may represent a higher share of a retiree's budget and housing a lesser share. But this is a matter for objective determination, he stressed, not a gimmick to hold down the budget.

THE EXISTING cost-of-living index for the general population is valid and should not be tampered with, Oswald urged. The alternative "experimental indexes" that are being pushed as money-saving alternatives are largely proposals that had previously been considered and rejected by the Bureau of Labor Statistics, he noted.

Any decisions on computation of the consumer price index "should be based on the best expert evidence possible and removed from considerations of whether or not it will produce savings for the federal budget," Oswald stressed.

Millions Face Slash in Health Care Aid

Proposed cuts in federal health programs resulting from President Reagan's budget for the next fiscal year will extract a heavy human price, the Health Security Action Council warned.

Reacting to the economic package that Reagan sent to Congress, HSAC Chairman Douglas A. Fraser charged that the slashes in health programs will have a severe impact on many people—"children, the poor, the sick, migrants, the mentally ill, low-income workers, and millions of other vulnerable Americans."

FRASER, WHO is president of the Auto Workers, said the Administration's budget cuts and revisions reflect a tragic reversal of the nation's concern for its people.

"We have wanted to support the President in his efforts to combat inflation and increase employment, but it makes little sense to expect that this be done at the human price the President expects us to pay," he declared.

Fraser also heads HSAC's sister organization, the Committee for National Health Insurance. AFL-CIO President Lane Kirkland is secretary-treasurer of both groups.

THE STATEMENT pointed out that children, who account for 45 percent of the 13 million people eligible for Medicaid, would be hard hit by program cutbacks.

It questioned the Administration's plan to alter the program by dropping eligibility requirements, eliminating mandatory basic benefits and allowing each state to determine how it wishes to handle the program, but with substantially less money.

"In the game of pass the medical care buck," Fraser observed, "the poor and the sick can only be the losers."

HSAC also noted that the Administration would abandon federal support for 750 community mental health centers, put the funds in block grants to the states and reduce the funding by one-fourth. For millions of Americans, HSAC pointed out, the mental health centers are the primary source of treatment.

Similar reduced block grant funding for the states will affect treatment programs for people with alcohol, narcotics and high blood pressure problems, migrants and those with genetic disorders and venereal disease.

"What is startling about the Administration's health cut plans is how utterly devoid they are of creative ideas," Fraser observed.

"THEY ARE concerned with numbers and dollars, but not with people and needs. They want to abandon support for programs which protect the quality of health care, and those which encourage cost-saving community health planning.

"They propose to give up federal government encouragement of nonprofit community-based health maintenance organizations," Frazer pointed out.

He said that these efforts had been "enthusiastically supported by previous Republican and Democratic administrations as a means of getting better health care to more people at lower costs. In their place, they offer nothing."

Senate Confirms Three For Labor Dept. Posts

The Senate has confirmed three presidential appointments to the Labor Dept., all by voice vote after endorsement by the Labor & Human Resources Committee.

They are Thorne G. Auchter, a construction company executive as Assistant Secretary for Occupational Safety & Health; Albert Angrisani, a bank executive as Assistant Secretary for Employment & Training, and Timothy J. Ryan, who has been an attorney for employer groups, as Solicitor of Labor.

President Reagan has not yet nominated an Under Secretary of Labor, the number two job in the department, or assistant secretaries for employment standards; for policy, evaluation and research; labor-management services, and to head the Mine Safety & Health Administration.

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Oil Decontrol Fuels Price Surge, Saps Earnings

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By James M. Shevis

Gasoline and fuel oil prices—zooming as a result of President Reagan's decontrol of domestic oil prices—kept the nation's inflation rate in the double digits in February, and contributed to the largest monthly drain in workers' buying power since April 1979.

Rising prices for energy accounted for about two-thirds of the nine-tenths of 1 percent increase in the federal government's consumer price index last month, the Bureau of Labor Statistics reported. Gasoline prices shot up 6.7 percent over the month. Heating oil prices soared 8.1 percent.

"THE DOUBLE-DIGIT price increases of February are directly traceable to the stepped-up oil decontrol order of the President," AFL-CIO Research Director Rudy Oswald said. "The inflationary effects of higher energy prices will continue to move their way throughout the economy in the months ahead.

"The immediate jolt to gasoline and fuel oil prices has had a severe impact on the buying power of workers' wages. All the proceeds from the higher energy prices represent a transfer of funds from U.S. workers to U.S. oil companies."

At a hearing of the congressional Joint Economic Committee, Chairman Murray Weidenbaum of the President's Council of Economic Advisers estimated that about 6 cents of the 8.4-cent increase in gasoline prices last month was the result of Reagan's decision to decontrol domestic crude oil and gas prices at the end of January rather than to phase out the controls through October, as former President Carter had planned. He said the rest of last month's gasoline price increase reflected an oil price jump by the Organization of Petroleum Exporting Countries and other factors, such as dealer markups.

Weidenbaum added that the Administration expects "several more months of disappointing price performance" before the inflation rate begins to improve.

For workers, last month's steep climb in

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Labor Assails Youth Pay Plan



TEENAGE UNEMPLOYMENT should be dealt with by job training programs and an expanding economy, not by reducing the minimum wage, AFL-CIO President Lane Kirkland urged at Senate hearings. With him are Legislative Director Ray Denison, left, and Research Director Rudy Oswald. Earlier, Kirkland testified before the House Ways & Means Committee, urging labor's alternative to the "grossly unfair" tax cuts proposed by the Administration.

Kirkland Hits Tax Proposal As 'Unfair'

The AFL-CIO protested the Reagan Administration's "grossly unfair" tax proposals and urged the House Ways & Means Committee to endorse a more equitable alternative.

Instead of big tax cuts for the very wealthy, Federation President Lane Kirkland said a 20-percent social security tax credit would provide greater tax relief for more people at less cost.

The Administration plan, Kirkland charged, "would add to inflation, exaggerate fundamental economic problems, and dissipate funds needed for their resolution."

Likewise, the Administration's proposals for business tax relief, including a vast speedup in depreciation tax writeoffs, would give "huge benefits" to prosperous firms that don't need them without any assurance that the added revenues will go to productive investment.

THE ADDED CASH could as easily be used "to buy up other companies, increase dividends, invest overseas, speculate, or to finance shutdowns and relocations that destroy jobs and blight local communities," Kirkland protested.

He contrasted this approach with the AFL-CIO's proposal for targeted tax cuts to help finance a reindustrialization program for American industry.

The AFL-CIO has also proposed that all employers receive a tax rebate equal to 5 percent of their share of the social security payroll tax—an action that would be "of particular help to smaller, more labor-intensive firms," Kirkland noted.

One of the inequities of the Reagan proposal, Kirkland testified, is the lack of

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Senate Asked To Sidetrack Subminimum

By David L. Perlman

AFL-CIO President Lane Kirkland called on Congress to reject proposals for a subminimum youth wage, block the dismantling of effective job training programs, and consider raising the minimum wage for workers of all ages to restore buying power eroded by inflation.

Kirkland and other union witnesses during two days of Senate hearings sharply challenged the claims of sponsors of assorted "youth opportunity" bills that lowering the wage floor is the answer to teenage unemployment.

Teenage unemployment is too high, but so is unemployment generally, Kirkland reminded members of the Senate Labor subcommittee. Adults made up 6 million of the 7.8 million persons seeking jobs last month, he noted. And of the 5 million persons, mostly women and minorities, who work for the minimum wage, 70 percent are adults.

DOES CONGRESS really want to encourage employers to substitute teenagers for adults in the low-skill jobs at the bottom of the wage ladder, Kirkland asked.

He reminded the Senate panel that more than half a million young people are already being paid less than the $3.35 an hour minimum wage under student and learner exemptions allowed by the Labor Dept. Further, employers who hire disadvantaged youths are currently entitled to generous tax credits, up to $1.50 an hour for each such employee.

If lowering wages created additional jobs, Kirkland said in reply to a question, there should have been no unemployment in the depths of the Great De-

(Continued on Page 3)

Reagan Acts to Change Or Kill 63 Regulations

The Reagan Administration announced that it intends to change or eliminate 63 federal regulations many of which were designed to protect workers and the health and safety of all Americans.

Included are rules now in effect—for many years in some cases—or pending adoption by a number of government agencies. They cover a broad spectrum, ranging from job safety to education of handicapped children, surface mining, and workplace cancer policies.

VICE PRESIDENT George Bush, who chairs the President's task force on regulations, told a news conference that he expects "there will be an awful lot of changes" made in the regulations to comply with a January Executive Order by Reagan requiring cost-benefit analyses of rules and selection of the most cost-effective choice.

This approach to regulatory relief was denounced by the AFL-CIO Executive Council at its February meeting as ignoring the contributions to a higher quality of life made by federal rules protecting the workplace, the environment, health and safety, and consumers.

"In the name of business efficiency, he would let the marketplace determine if, when and how workers, buyers and natural resources are to be protected," the council said. "Past experience demonstrates that the market undervalues the need for these protections."

LABOR SEC. Raymond J. Donovan, in an announcement separate from Bush's, said that five of the regulatory actions proposed in the closing days of the Carter Administration would be withdrawn Mar. 27, and that the department is moving to scrap other regulations.

Donovan said he had withdrawn a cancer policy for the Occupational Safety & Health Administration, which would have set guidelines on how the government would detect and regulate potential cancer-causing agents; a rule that would have required employers to pay workers for time spent on work-site inspections; an action that would have denied approval of the Indiana OSHA program; a regula-

(Continued on Page 2)

'No' Vote Urged on Deep Budget Cuts

The Senate opened debate on a labor-opposed budget resolution that would compel massive cutbacks in virtually all non-defense programs, and bite even deeper than the Reagan Administration had proposed.

AFL-CIO Legislative Director Ray Denison called on senators to vote against the resolution, to answer "no" to the proposed "massive destruction of jobs and programs."

THE BUDGET measure would compel Senate committees to approve by May 31 permanent changes in laws and funding authority that would slash $36.4 billion from the belt-tightening budget that President Carter submitted before leaving office in January.

Even that wouldn't be the end. Another $8.8 billion in cuts is expected to be included in a later budget resolution.

Denison reminded senators of the increased unemployment that would be caused by such a budget—which ironically at the same time would compel reductions in unemployment assistance, food stamps, health services and the array of "safety nets" for the needy. He cited reduction of educational opportunities, cuts in transportation programs—and the inevitable shifting of burdens to states and cities.

THE REAGAN budget may be praised by the wealthy and those corporations that will profit, Denison observed, "but the price to the rest of America is simply too high."

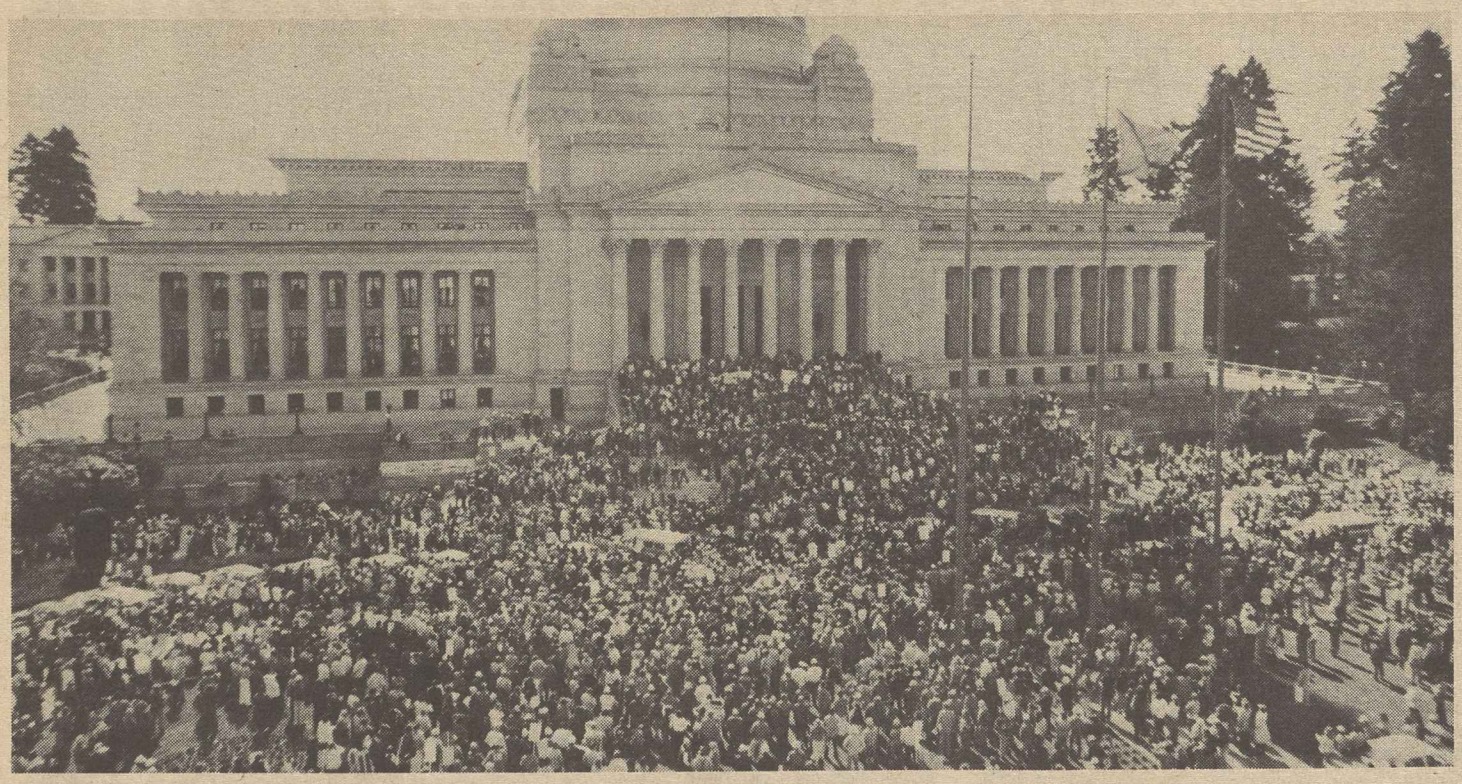
There was no doubt, however, that the Republican majority in the Senate had the votes to push through the spending cuts with few, if any, concessions.

Conservative Democrats who have jumped on the Reagan economic bandwagon outnumber the handful of Republicans who might dissent from some portions of the cutbacks. Senate Democrats caucused for three days in an only partially successful attempt to agree on a package of amendments aimed at restoring about $4 billion of the budget cuts.

EVENTUALLY, the Senate's action will have to be meshed with the budget resolution adopted by the House—still some weeks off. But the Senate figures will be the benchmark for all future budget actions by Congress.

The Senate jumped off to a quick start as part of a Republican strategy to take advantage of President Reagan's supposed "honeymoon" period, the first months in

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SOME 8,000 trade unionists rally outside the Washington state capitol in Olympia to protest a measure before the legislature that would slash workers' compensation benefits and allow private insurance companies to write industrial coverage policies for profit. The state has operated the nonprofit program since 1911. The so-called Three-Way Bill, which already has cleared the House, is vigorously pushed by the Republican majority in the Senate with the strong backing of big business and insurance company lobbies. President Marvin L. Williams, left, of the Washington State AFL-CIO, which cosponsored the Mar. 18 "No Way on Three-Way" rally along with other labor groups, pledged an all-out fight to keep the state from turning over "profits to insurance conglomerates."

Miners Voting On Coal Pact For 160,000

A new three-year agreement between the Mine Workers and the soft-coal industry provides for substantial wage and fringe benefit improvements for 160,000 miners in eastern and midwestern states.

Approved by the unaffiliated union's 39-member bargaining council, the tentative contract now goes to the coal fields, where a ratification vote will be held after local union hall briefings.

UMW PRESIDENT Sam Church, Jr., said he expects the pact, which includes a 31-percent pay boost over the next three years, will be ratified. The current agreement with the Bituminous Coal Operators' Association expired on Mar. 27.

Reached on Mar. 23, the accord takes at least nine days to ratify, making a strike of a few days' duration inevitable. Under the UMW constitution, a "no contract, no work" rule prevails until a new contract is ratified. Final results of the voting on the settlement are expected to be known by Apr. 1.

The contract's provisions will increase wages and benefits by a total of about 36 percent over three years. Top-scale wages would rise 31 percent over the life of the contract through a combination of annual and quarterly raises, from the current $10.56 an hour to $13.86.

THE MINERS also achieved other significant gains, and agreed to certain trade-offs with the industry. Among the contract improvements:

- Increased pension benefits. General pension benefits would rise to $375 a month, from the current $275 a month, for miners who retired before 1974. For the first time, the 45,000 widows of these older miners would receive a pension of $100 a month.
- A new dental care plan. Optical care coverage was negotiated in the last settlement.
- An agreement to dismantle a centralized arbitration review board created in the last contract. The board had been the focus of strong rank-and-file resentment. The industry agreed to return to regional arbitration.
- The industry's reversal on its demand for mandatory Sunday mining. Miners preferred more time off, and Sundays off was a pivotal issue for them.
- An 11th paid holiday, the day after Thanksgiving.

Government Union Scores Bid to Shift Loan Collection

The Government Employees attacked the Administration's decision to contract-out the job of collecting defaulted student loans to the private sector, a function performed by federal workers over the past four years.

AFGE President Kenneth Blaylock said that "it's appropriate that this idea is coming to pass during Reagan's so-called 'waste and fraud' week, because it wastes the taxpayers' money and perpetuates the fraud that government is less efficient than the private sector."

Government employees, who have performed the task of collecting over 600,000 overdue loans to students a year, have a collection record of more than 90 percent, Blaylock said. Their collection rate averages $3 for every $1 in cost to the taxpayer.

Normal procedure in the private sector is for the collection agency to take 50 cents on the dollar in collection fees, Blaylock noted.

Education Sec. Terrel Bell, in a memo to his staff, supported these facts and noted that federal collectors have "proved to be very efficient," Blaylock observed. Yet Bell expects the agency to cut the current staff of 955 collectors to 390 by the end of the current fiscal year with further reductions next year.

Blaylock said that Bell also is seeking to "expedite" the contracting process, targeting Aug. 30 as a final selection date.

The AFGE head said the union is reviewing the Education Dept.'s plans for possible legal action "to block the contracting decision, save the jobs of the collectors, and stop this ridiculous waste of tax dollars."

NLRB's Caseload Reaches New Peak in First Quarter

The National Labor Relations Board's caseload for the first three months of 1980 reached a record 14,986, or 7.8 percent higher than in the same period a year earlier.

The NLRB said the case intake exceeded the previous record quarter, April-June 1979, by more than 300 cases.

Unfair labor practices by employers, unions, or both totaled 11,234. In the representation areas, there were 3,588 petitions seeking employee elections, 158 for unit clarification, and six for amendment of certification.

During the first three months of 1980, the board conducted 1,708 representation elections, with workers voting in favor of unions 49 percent of the time. Eighty-nine percent of the employees eligible to vote did so. AFL-CIO unions participated in 1,039 elections, won in 498 and lost 541. Unaffiliated unions participated in 724 elections, winning 337 and losing 387.

NLRB REGIONAL offices, which receive the cases initially, were successful in settling or resolving a major percentage of the unfair labor practices and their underlying disputes early in the case-handling process.

The great bulk of charges which investigation showed to be without merit were also resolved at the regional level, the board said. Regional directors, working on the remainder of the cases, issued 1,398 complaints, setting the cases for trial.

After further settlement efforts following the issuance of complaints, NLRB administrative law judges conducted 268 trials of unfair labor practice cases during the quarter.

Administration Pulls Back 63 Key Regulations

(Continued from Page 1)

tion establishing a minimum wage for farm employers who wish to use alien labor, and a rule that would have barred federal contractors from paying membership fees for their employees in private clubs that discriminate.

DONOVAN, WHO is a member of the Reagan deregulation task force, also postponed for another 30 days proposed new regulations under the Davis-Bacon and Service Contract Acts and under the new OSHA lead standards. In calling for a review of the prevailing wage rules, the Bush panel said that "their effect over time . . . has been to escalate wages above rates prevailing in the private sector."

Bush said it would take several weeks to several months to determine whether the rules comply with the Administration's regulatory objective. Final action would be administrative; new legislation would not be required to change or kill the regulations, government officials said.

Of the 63 regulations under discussion, 27 are already on the books. The remainder are among the 172 rules proposed in the closing days of the Carter Administration but suspended in an initial 60-day freeze imposed by Reagan on Jan. 29. These 36 proposed regulations will not be made final, but will be reviewed by affected government agencies, which will decide whether to cancel or modify them.

BUSH SAID 41 other regulations caught in the January freeze have since been allowed to take effect and 95 more would be permitted to become effective on Mar. 30, when the freeze ends.

Among the rules singled out for review and possible modification or elimination are procedures for setting area prevailing wages on federally financed construction, occupational noise standards, and federal contract compliance requirements—the basis of the government's affirmative action program since the Kennedy Administration.

College Faculties Covered Under Joint Affiliation

The Teachers and the unaffiliated American Association of University Professors signed an affiliation agreement covering the 10,000 AFT-represented faculty members of the City University of New York.

The agreement was hailed by both principal signatories—AFT President Albert Shanker and AAUP President Henry Tom Yost — at signing ceremonies in Washington, D.C., as a welcome development toward achieving unity.

Shanker said the action will enable the AFT and AAUP "to work together in promoting and protecting the interests and concerns of their respective memberships."

Yost concurred, adding that the AAUP will look forward to the new coalition that "will effectively work to maintain a system of quality education in this counrty."

The AFT-affiliated Professional Staff Congress at CUNY will continue as the bargaining agent for the faculty and non-classroom professionals in the 19-campus system.

A separate "no raiding" agreement was signed by the AFT's New York State United Teachers and the AAUP in which both sides pledged not to challenge established campus bargaining units of the NYSUT or AAUP.

Job Claims Challenged

Congress Urged to Kill Subminimum Pay Plan

(Continued from Page 1)

pression, when there was no minimum wage law and employers cut pay.

Youth unemployment should be countered by targeted programs coordinating training with placement in jobs "that have a future," he said. That's what the AFL-CIO has been trying to do through its Human Resources Development Institute and various budget-threatened outreach programs, Kirkland added. And labor's proposals for reindustrialization would enlarge private sector job opportunities for workers of all ages, he pointed out.

KIRKLAND URGED Congress to index the minimum wage so it remains a meaningful floor and so that full-time workers will not have to rely on public assistance to subsidize inadequate pay.

Labor views the employer campaign for a subminimum wage as part of an attack on the entire concept of a minimum wage law, Kirkland testified.

It is "in the interests of society," he told a questioner, that the minimum wage be set above the level of exploitation and that its "real value" be maintained against inflation.

A scattering of employer groups testified for a subminimum youth wage, but they were countered by unions representing workers in traditionally low-paying industries and representatives of other groups opposed to a two-tier minimum wage.

In union testimony:

● Ladies' Garment Workers President Sol C. Chaikin cited findings by secretaries of labor in both Republican and Democratic administrations that past increases in the minimum wage have not resulted in higher teenage unemployment. He warned that a youth subminimum would merely steer teenagers into "subminimum jobs" without career opportunities. "Surely we can do better than that," he observed.

● Service Employees President John J. Sweeney testified that a youth subminimum wage would "pit sons and daughters against fathers and mothers—with no winners."

Most minimum wage workers are in service jobs, he said, where "the minimum wage is not some abstract number but a vital floor for economic survival." The SEIU's members, Sweeney said, "including teenagers," would join in testifying "that the subminimum proposals are for the benefit of minimum wage employers who will reap windfall profits."

● Jacob Sheinkman, secretary-treasurer of the Clothing & Textile Workers, termed the federal minimum wage an essential "safety net" for millions of low-paid workers. "A youth subminimum could rend it, perhaps beyond repair," Sheinkman said.

A BILL BEFORE the Senate subcommittee that would set the teenage minimum at 75 percent of the adult rate is a "cut-rate wage bill for cut-rate employers," he charged. It is based on a series of "false premises." And the fast-food chains that have been most actively pushing for a subminimum wage "aren't losing any money now—there's no need to make them richer."

● William Lucy, secretary-treasurer of the State, County & Municipal Employees, said minority teenagers "can't afford to take a 15 percent or 25 percent pay cut" through a lower minimum wage.

Apart from its income floor, the minimum wage helps to maintain the principle of "equal pay for equal work for America's low-wage employees," Lucy testified.

● Michael Tiner, assistant government affairs director for the Food & Commercial Workers, said the UFCW "rejects the notion that the way to increase employment is to decrease wages."

The federal minimum wage was intended to apply to covered industries, he reminded the panel. "No workers, young or old, should be required to exchange their labor for less than the minimum wage." The path to increased employment, Tiner urged, lies "in a strong and healthy economy, not discrimination in the wage structure."



OPPONENTS OF a youth subminimum wage, testifying at Senate Labor subcommittee hearings, included this panel of Althea T. L. Simmons, director of the Washington bureau of the NAACP; Ladies' Garment Workers President Sol C. Chaikin, and William Lucy, secretary-treasurer of the State, County & Municipal Employees.

NASA Space Scientists Give Strong Vote to Union

Greenbelt, Md.—Some 1,200 engineers and scientists at the National Aeronautics & Space Administration's Goddard Space Flight Center here voted overwhelmingly to be represented by the Professional & Technical Engineers.

The Federal Labor Relations Authority said that a clear majority of the almost 70 percent eligible to vote wanted the IFPTE as their bargaining agent.

High Court Urged to Bypass Warrant Rule on Mine Safety

The federal government does not need a court warrant to carry out worksite inspections required by the Mine Safety & Health Act, the AFL-CIO contended in a brief to the Supreme Court.

At issue is whether a 1978 Supreme Court decision that an employer can insist on a warrant before allowing the Occupational Safety & Health Administration to inspect his premises also governs workplaces covered by the mine safety law.

The Labor Dept., the AFL-CIO and several federal appellate courts cite important differences that keep the OSHA ruling from applying to mine safety inspections.

THE MINE SAFETY law (MSHA) requires that underground mines be inspected four times a year and that surface mines and quarries by inspected twice a year. There is no comparable provision under OSHA, which was a factor in the Supreme Court's split decision that a warrant could be required to assure that the decision to inspect a particular workplace was part of a national plan of inspections or justified on the basis of an employee complaint.

Further, the industries regulated by MSHA are among the most hazardous in the nation.

A federal judge in Wisconsin held otherwise, however, and upheld the right of the Waukesha Lime & Stone Co. to insist that MSHA obtain a warrant allowing it to carry out an inspection. It is this ruling that the Labor Dept. is asking the Supreme Court to reverse.

THE AFL-CIO BRIEF noted that a number of employers have taken advantage of the Supreme Court's ruling on OSHA inspections to delay the inspection process and to tie up OSHA personnel on procedures for getting warrants, to the detriment of enforcement of the law.

Also, the AFL-CIO suggested, the Supreme Court's OSHA ruling left largely undefinied the criteria for issuance of a warrant, resulting too frequently in "a level of judicial scrutiny of inspection decisions which severely hampers an effective inspection system."

If the Supreme Court should decide the MSHA case as it did the OSHA dispute, the AFL-CIO asked that the decision make clear that any warrant requirement could be met without an adversary proceeding on a showing by the government that the inspection was part of a rational plan for enforcing the law or was based on a complaint or some other indication of possible safety hazard.

White House Hedges Stand on Youth Wage

Labor Sec. Raymond J. Donovan told Republican senators who have sponsored youth subminimum wage bills that the Administration can't support any of their proposals at this time.

Donovan gave a qualified endorsement to the "concept" of a lower minimum wage for teenagers. But it wouldn't be a "cure-all for youth unemployment," he testified.

More information is needed, Donovan told the Senate Labor subcommittee, to determine whether lowering the minimum wage would in fact open up new jobs for young people or merely bump older workers out of existing jobs.

DONOVAN NOTED that a Minimum Wage Study Commission established by Congress is scheduled to report in May, and he told the panel he would want to "carefully review" the commission's studies on the issue of a subminimum youth wage. The Administration's decision to back off from a minimum wage battle at the start of a new Congress was made at the Cabinet level, Donovan indicated.

The Secretary of Labor's first testimony since his confirmation hearings brought praise from committee Democrats, but expressions of impatience from conservative Republicans who have been pushing for a subminimum youth bill.

The issue has been "studied to death," Sen. Orrin G. Hatch (R-Utah) complained.

Hatch is chairman of the full Senate Labor & Human Resources Committee and the sponsor of a bill that would enable employers to pay workers under the age of 20 only 75 percent of the minimum wage for up to six months.

SUBCOMMITTEE Chairman Don Nickles (R-Okla.), whose bill would totally expel employees under 18 from the wage-hour law, said the best hope for youth employment is "an unrestrained free enterprise system."

Donovan testified that "before the Administration can endorse a specific legislative approach," it must consider such questions as:

● The effect of youth differentials on jobs of adult wage-earners.

● The most effective means of enforcement to prevent adult displacement and the firing of teenagers when they can no longer be paid a subminimum wage.

● The effect of a subminimum wage on poor families who depend on the earnings of teenagers.

● The extent to which employers will create additional jobs that can be filled by teenagers, and the experience of other countries with a youth wage.

He noted that under present law nearly 500,000 students are employed at 85 percent of the minimum wage in after-school jobs and summer employment.

When Nickles said that existing procedures for hiring at subminimum rates are "cumbersome," Donovan suggested that it might be even more cumbersome to supervise a general youth subminimum wage to make sure that it is not being abused.

Neither Donovan nor the White House ruled out a future push by the Administration for a subminimum youth wage, which was one of the planks in the Republican platform last year. A White House press aide stressed that President Reagan supports a lower youth wage "in principle."

WHILE TRADE associations of restaurant owners and retail food stores testified for the subminimum bills, the U.S. Chamber of Commerce merely sent a somewhat ambiguous letter endorsing the "concepts" of the various bills and saying it is working on its own "comprehensive analysis" of the issue.

Press reports had indicated that the business association was concerned that enactment of a youth subminimum might be accomplished through an increase in the wage floor for adults.

The two ranking Democrats on the Labor & Human Resources Committee, Edward M. Kennedy (Mass.) and Harrison A. Williams, Jr. (N.J.), noted that inflation has deeply eroded the buying power of the present $3.35 an hour wage floor. But Donovan said he didn't expect the Administration to support a higher minimum wage anytime soon.

Fuel Assistance Cutbacks Termed Blow to Elderly

A retired Steelworker member from Claremont, N.H., urged a Senate subcommittee to reauthorize the low-income energy assistance program and reject an Administration proposal to fold it into an overall state block grant program and cut available funds by 25 percent.

Earl Bourden, who has been involved in helping needy families in his home area get federal assistance in meeting high fuel costs, testified on behalf of the National Council of Senior Citizens. He is president of the NCSC affiliate in Claremont and a member of the organization's national board.

"Our senior citizens must not be forced to choose between heating and eating," Bourden urged. "For thousands of senior citizens, the rising cost of fuel has far outstripped the financial assistance they have been able to get."

Bourden suggested that their plight offers "a true test of the compassion that this Administration claims to have for America's needy."

Calistri Named Editor Of Labor Newspaper

Richard J. Calistri has been named editor of Labor newspaper to succeed the late Ruben Levin. Calistri, 55, had been with the paper during the 1960s and returned to Labor last year as associate editor.

Calistri also had worked on union publications for the Machinists, Seafarers and Government Employees. Labor newspaper is published tri-weekly by 14 unions with members in railroads, airlines and related transportation fields.

An Unfair Tax Tilt

THE PRESIDENT'S tax package is grossly unfair and much too costly. It would add to inflation, exaggerate fundamental economic problems and dissipate funds needed for their resolution.

The facade of even-handedness implied in the 10 percent per year across-the-board cuts (for individuals) quickly disappears upon closer inspection.

Despite claims to the contrary there is no tax cut under the Administration's proposal for some 15 million low-income working Americans. Their taxes went up this past January as a result of the social security increases; this same group will be among the first to feel the impact of the Administration's cuts in social programs.

The average worker in the private sector who, according to the Bureau of Labor Statistics, earns about $12,000 a year, would receive a first-year cut of $128 if single; but only $92 if supporting a family of four.

A FAMILY AT THE national median of approximately $20,000 would receive $228. At twice the national median ($40,000) the cut amounts to $648—almost three times as much. At $100,000 the cut is $1,840—eight times as much.

The three-year program amounts to a 9.2 percent increase in after-tax income of the $100,000-a-year salary earner compared to 3.4 percent for the $20,000 family and only 1.9 percent for the $12,000 wage earner.

According to the estimates of both the Administration and the Joint Committee on Taxation nearly 30 percent of the benefits of the tax cut will go to those with incomes of $50,000 and over—the top 5 percent of the nation. When fully effective, the average cut for this group will be $5,669. The remaining 95 percent of the population will receive an average reduction of $743.

Clearly a scheme which gives more to those at the top—in absolute as well as relative terms—cannot be considered fair or even-handed.

The so-called supply-side notion that such cuts in marginal tax rates will entice more people into the labor force and encourage them to work harder completely ignores the fact that there are nearly eight million Americans looking for work, four million on part-time schedules because full-time work is not available, and over one million workers who have dropped out of the labor force because the search for jobs was futile.

THE ADMINISTRATION'S depreciation proposal amounts to a rapid and arbitrary speed-up in depreciation write-offs which would render the concept of business income for income tax purposes meaningless. Huge revenue losses would result and the corporate contribution to the costs of government would be cut by over one-third.

We see no justification, particularly in this time of budget slashing and proclaimed need for austerity and sacrifice, to throw as much as $60 billion a year in federal tax cuts to the nation's corporations and their stockholders and wait and hope that this largess will trickle down to workers and consumers in the form of needed jobs and more goods and services at reasonable prices.

—AFL-CIO President Lane Kirkland in testimony before the House Ways & Means Committee, Mar. 24, 1981.

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'That's the Name of This Game!'



Trading Off Jobs

Inflation Fueled, Not Curtailed By Forcing Up Unemployment

By Gus Tyler

IN A LONG PIECE in the Wall Street Journal, Herbert Stein includes one short paragraph that may tell us more about why the Nixon and Ford Administrations failed to check inflation than countless commentaries that have spouted from legions of pundits.

That mighty little paragraph comes from a man who wielded much might in the nation's capital for many years: he was the Chairman of the Council of Economic Advisers under Presidents Richard Nixon and Gerald Ford and, for a moment there, was considered to be a likely choice to end up as top adviser to President Ronald Reagan. So what Stein has to say is not of minor consequence.

HIS PARAGRAPH refers to what happens when the government embarks on a policy of shrinking the economy in order to check inflation. Although such a "cooling" of the business engine is what Stein continues to advocate, he does grant that such a process does have a few negative side effects.

First, he says, "the process of reducing inflation creates a period of unemployment and excess capacity."

This is a refreshing admission. It tells us that unemployment didn't just happen to us; it was made to happen. Unemployment was manufactured as part of that "process of reducing inflation."

That same pithy little sentence tells us that the "process" creates "excess capacity." That means that much of our productive machinery in the United States is idled. Such idle overhead is very costly and is, quite naturally, added to the price of the commodities we purchase. So—to put it bluntly—this "process" to reduce inflation is, in itself, inflationary.

That's why, for a full decade now, we have been suffering simultaneously from unnecessarily high unemployment and needlessly high prices—the sickness called "stagflation."

THE CURRENT CURE for this ailment, the fundamental faith of the new Administration, is to enrich the rich so that they will have the necessary "capital" to invest—to spur jobs, to increase supply. Along the way, the Administration also proposes to cut government spending.

But, says Stein, a condition of unemployment and excess capacity is "not an economic environment in which there will be much new investment, movement of workers, or cuts in government spending programs. It will also be an environment of large budget deficits."

What Stein is saying seems, after it is said, so obvious that one wonders why we needed a learned authority to say it. After all, if a plant is going unused or only partly used, why should the company put up a second plant or enlarge the present facility?

If there is higher unemployment, how can we put more people to work? And if there are more people without a steady income because they were frozen out of the cooled economy, how can the government expect to balance its budget when it must pay the added billions in assistance while losing additional billions in income?

The amazing thing is that, despite all these arguments, Stein insists that we must go right ahead and cool the economy some more. Someday somehow, he expects that the poison will cure the patient. Just when, he does not say.

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Save Jobs
Union Label & Service Trades Department
American Federation of Labor & Congress of Industrial Organizations
AFL CIO
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Build Union

AFL-CIO News

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THE ADMINISTRATION PLAN

The Threat to Jobs and Social Progress

The AFL-CIO has long maintained that the federal budget must be based on a careful determination of the nation's needs and the federal government's responsibility in meeting those needs. Currently, these needs and responsibilities are being ignored and preempted by a combination of honest misunderstandings of the role and function of government; exaggerated conceptions of government growth, influence or waste; and simplistic notions that all of the nation's problems would go away if the budget were balanced and our government would simply spend less, tax less and protect less.

The budget proposed by the President for fiscal 1982 is not the usual compendium of expenditures, revenues and proposals that reflect the nation's needs and circumstances.

It will result in the loss of 1,260,000 jobs. And it will have multiple negative effects on the entire U.S. economy.

It adds up to a massive attempt to reshape and restructure programs that have been devised, proposed, carefully considered, enacted by the Congress, deliberately funded, checked and reviewed as is provided for under the nation's system of governance.

It proposes revisions in law without the benefit of careful, prudent consideration and a short-circuiting of the appropriate legislative process of deliberation and oversight.

It is based on economic theories that have no foundation in fact, defy logic and ignore compassion.

The AFL-CIO does not believe that this nation has been too generous in helping the poor, the disadvantaged and the unemployed.

We do not believe the nation has been too ambitious in revitalizing its cities, enhancing educational opportunities, improving transportation or meeting its energy problems.

We do not believe the nation has been overzealous in protecting its environment, its natural resources, its consumers or its workers.

And, we do not believe the tax structure overburdens those with wealth and power and treads too lightly on everyone else.

The AFL-CIO Executive Council called the President's program . . . "a high-risk gamble with the future of America" with workers and the poor taking the lion's share of the risk.

This report, produced by the AFL-CIO Dept. of Economic Research, highlights the impact on jobs and people of the reductions proposed by the Reagan Administration in the fiscal 1982 budget.

Jobs and Training

The most direct and greatest impact of the Reagan Administration Budget in creating unemployment would occur in the jobs and training programs. Terminations of various programs under the Comprehensive Employment & Training Act (CETA), youth employment and training programs, and National Endowments for the Arts and the Humanities would abolish opportunities for the training and entry experience employment for hundreds of thousands of people who would be added to the number of unemployed.

COMPREHENSIVE EMPLOYMENT & TRAINING ACT (CETA)

Budget Cut: $3,600 million

Job Loss: 340,000

CETA Titles II D and VI would be terminated. These programs provide training and public service jobs in state and local government agencies for workers on welfare or who have been unemployed at least 10 weeks and whose family income was below $10,000. About 340,000 workers are currently employed in such programs. These jobs would be terminated by the Reagan Administration proposal and the workers would not be eligible for unemployment benefits because of recent changes in the law. Many would be forced on welfare. A sizable part of the budget cut would be transferred to state and local budgets. This is on top of cuts in the '81 CETA budget which will cost many more jobs.

YOUTH INITIATIVE—CETA GRANT CONSOLIDATION

Budget Cut: $800 million

Job Loss: 160,000

The Administration is withdrawing the youth education, training and employment program, and youth initiative proposed in the Carter January 1981 budget. The youth initiative was intended to help needy junior and senior high school students learn the basic academic and employment skills necessary to find jobs. The Administration is proposing a consolidation of youth programs into a general purpose CETA grants, resulting in a reduction in fiscal 1982 of $670 million in outlays from the January levels.

NATIONAL CETA PROGRAMS

The Administration recommends a $100 million or 50 percent cut in Special National Programs and Support Services under CETA's Title III. Title III is a source of assistance to groups with serious disadvantages in the job market—minorities, veterans, women, the handicapped, migrant workers and native Americans. It also assists on the job training programs operated by such national groups as the Urban League, the Human Resources Development Institute, and some 20 international unions for the benefit of disadvantaged individuals, as well as apprenticeship outreach programs that have played a critical role in creating opportunities for minorities and females in the skilled trades.

YOUTH CONSERVATION CORPS

Budget Cut: $60 million

Job Loss: 2,000

This Administration proposes to phase out the Youth Conservation Corps of the Dept. of Interior by the end of 1981. This program provides summer jobs on public lands for youths age 15 to 18. It gives them environmental training and jobs.

YOUNG ADULT CONSERVATION CORPS

Budget Cut: $179 million

Job Loss: 18,000

This program would be terminated. It provides employment to youths age 16 to 23 in such work activity as flood control, park maintenance and forestry on public land.

NATIONAL ENDOWMENTS FOR THE ARTS AND THE HUMANITIES

Budget Cut: $87 million

Outlays for these programs would be cut by about $87 million in 1982; budget authority would be cut by nearly 50 percent. They provide grants to state and local agencies, cultural institutions, organizations and individuals to encourage creative efforts, enhance access to the arts, support art institutions and maintain the artistic heritage of different cultural and ethnic groups. The Endowment for the Humanities provides support to promote understanding and teaching of the humanities. The Reagan proposal cuts in half the support for these programs, which help dedicated and talented people enter into cultural and artistic pursuits.

LABOR ENFORCEMENT PROGRAMS

The Administration is proposing that there be reductions of from 6 to 9 percent in the full-time permanent employment levels of agencies that regulate labor standards and workers health and safety. These cuts would reduce employment levels for Fiscal Years 1981 and 1982 from Dec. 31, 1980, levels. The inspectors of the Occupational Safety & Health Administration would be reduced by 250 or 9 percent over two years. The Mine Safety & Health Administration would be reduced by 6.6 percent. The Employment Standards Administration would be reduced by 300 employees or 6.1 percent.

The Administration also proposes reductions of 10 percent in the Equal Employment Opportunities Commission, 7 percent in the Federal Mediation & Conciliation Service and 2 percent in the National Labor Relations Board.

STATE EMPLOYMENT SECURITY AGENCIES

Budget Cut: $150 million

Job Loss: 5,000

Grants to states to help unemployed workers find jobs will be reduced by $150 million in 1982 and further reductions made in subsequent years. The aim is to reduce staffing levels from the present 30,000 to less than 25,000 in the state agencies, a cut of 17 percent.

Transportation

Transportation—by road, rail, air, and water—is of central importance to the nation's "infrastructure." Federal government programs—mainly centered in the Dept. of Transportation—supply money to the states to help build highways and promote highway safety; provide assistance to railroads; provide grants and subsidies for urban mass transit systems, and assist the construction of airports and ocean-going merchant ships. The National Railroad Passenger Corp. (Amtrak), supported mainly through federal financing, is the nation's most important supplier of intercity rail passenger service. Consolidated Rail Corp. (CONRAIL) receives federal subsidies for

operating freight and commuter trains in the northeast and midwest. The total reduction in outlays for transportation is $1.7 billion, about 8 percent. Job losses probably exceed 100,000.

FEDERAL HIGHWAY CONSTRUCTION

Budget Cut: $421 million

Job Loss: 44,000

Current outlays would be reduced by 5 percent, and the Reagan Administration proposal would cut 20 percent from budget authority for federal highways. This would result in a $2 billion reduction in highway construction. Ten percent of the Interstate system needs resurfacing, many bridges require rehabilitation and new area developments demand increased road capacity. Shifting responsibility to state and local governments would require about a 2-cent per gallon increase in state gasoline taxes. If highway construction is curtailed by $2 billion, 44,000 man-years of work would be lost.

MASS TRANSIT

Budget Cut: $420 million

Job Loss: 33,000

A 15-percent cutback ($420 million) is proposed in mass transit capital outlays, accompanied by a 35-percent ($1.3 billion) reduction in budget authority. Grants for new construction would be discontinued entirely after 1982. A $1.3-billion cut for construction would mean a loss of about 33,000 man years of work. Operating subsidies would not be reduced in 1982 but would be entirely phased out by 1985.

Budget Coalition

The AFL-CIO is working with more than 185 national organizations in a Budget Coalition pledged to fight against the "unnecessary and unwise destruction of social and economic advances achieved in the past 50 years." The Budget Coalition can be contacted at 202-637-5086.

AMTRAK

Budget Cut: $304 million

Job Loss: 10,000

Amtrak train subsidies would be reduced by nearly one-third in 1982. Fares would be increased and the financial burden shifted to passengers or state governments. Certain trains will be eliminated, hurting the economies in less populated areas. As Amtrak equipment has been improved on some routes, a greater capacity ratio has been achieved. This cut would allow the deterioration of the most efficient long-distance transportation, and the fixed and rolling capital that is already invested.

LOCAL RAIL SERVICE

Budget Cut: $100 million

Job Loss: 2,300

Local Rail Service Assistance Grants would be cut by 40 percent. These provide subsidies to cushion shippers against rail line abandonments. No additional budget authority would be provided for the program. Areas in midwestern states and Texas and Oklahoma would be most affected by higher shipping costs or abandonment of rail service. CONRAIL subsidies would be reduced in 1982 and terminated thereafter. Substantial track abandonment and ultimate dismemberment of CONRAIL is the likely outcome.

NORTHEAST RAIL CORRIDOR

Budget Cut: $155 million

Job Loss: 2,000

Outlays on improvement of the Northeast Rail Corridor would be reduced by one-third with a resulting loss of 2,000 jobs. Railbed improvement would lead to improved freight handling, more passenger traffic and a reduction of subsidies required for railroad operations.

AIRPORT CONSTRUCTION

Budget Cut: $50 million

Job Loss: 6,000

A reduction of 8 percent is proposed in 1982 outlays for the airport construction program. There would also be a $300-million cut in budget authority for airport expansion and improved safety.

MARITIME SHIP CONSTRUCTION

Reduced levels of subsidy of construction of new privately-owned commercial vessels in ocean foreign commerce would result in a $40 million cut in 1982. Budget authority is reduced by $107 million leading to continued low-level of support for modernization and expansion of the U.S. merchant fleet.

Education

Major federal education support programs would be sharply reduced. Through proposed consolidations and cutbacks of programs, there would be reduced outlays for Elementary & Secondary Education Grants, Vocational Education, School Assistance in Federally Affected Areas and Student Loan Assistance programs. Education activities at all levels, from elementary through higher levels, would suffer serious financial setbacks.

ELEMENTARY & SECONDARY EDUCATION GRANTS

Budget Cut: $1.1 Billion

Consolidation would cut the total funds by $1.1 billion in 1982 and $1.7 billion in 1983, or 27 percent of the projected budget. All or part of 44 federal elementary and secondary education assistance programs would be reduced to two block grant programs. Localities would no longer have to provide specific educational activities and services, such as special education for the handicapped and adult education. The requirements for matching funds by localities would be eliminated. This proposal would reverse hard-won laws to gain educational equity for the nation's young people, permitting state and local agencies to ignore the needs of minorities and disadvantaged. Budget authority would be cut by $1.5 billion in 1982, and states and localities forced to assume increased education costs in their budgets.

STUDENT ASSISTANCE

Budget Cut: $944 million

A $230 million reduction is proposed in 1982 for higher education assistance to students and parents. The amount of discretionary income for Pell Grants that families must contribute to the support of a student has been increased and a $750 self-help contribution from students going to college is now required. The new parental loan subsidy will be eliminated.

Guaranteed student loan changes would push out of college an estimated one million students, or 50 percent of those currently benefitting. This program has been frozen until final details of the cuts are worked out. The total cost of attending public colleges in 1981 was $2,500 for residents and $3,800 for non-residents.

STUDENT LOAN MARKETING ASSOCIATION

Off-budget Cut: $1,400 million

The Reagan Administration proposes to eliminate access of the Student Loan Marketing Association ("Sallie Mae") to the Federal Financing Bank. This would bring about a drastic curtailment in Sallie Mae's efforts to assist student loans. "Sallie Mae" provides a market in which banks and other commercial lenders can sell their guaranteed loans and helps to free private capital for further student loans.

SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS (IMPACT AID)

Budget Cut: $450 million

The number of districts receiving impact aid in 1982 will be reduced from approximately 3,900 to 330. Funds will be reduced by 45 percent. This money is vital to support schools in communities with large federal installations which do not pay property taxes.

VOCATIONAL EDUCATION

Budget Cut: $200 million

The $200 million cut in 1982 outlays is nearly one-fourth of the funds available for vocational education which is designed to improve the job skills and employability of young people. The vocational education program dates back to 1917 and needs expansion, technology and modern equipment:

Commerce, Credit And Housing

Hundreds of millions of dollars in outlays as well as billions of dollars in budget authority would be cut from programs in these activity areas. Major programs involve housing finance, rehabilitation and new construction, Small Business Administration and National Consumer Cooperative Bank lending, economic development and rural electrification.

ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) AND REGIONAL DEVELOPMENT COMMISSIONS

Budget Cut: $481 million

Job Loss: 116,000

Programs of EDA, regional commissions and the Appalachian Commission programs would be terminated. This would greatly reduce economic development in some of the most depressed areas. Recent EDA program experience suggests that its loans and grants result in the creation of about 116,000 jobs in eligible areas by triggering private capital investment. Total investment is several times the EDA contribution as private funds are induced in building plants and starting new businesses.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

There is no significant change in GNMA (below market interest rate) housing finance outlays for 1982. However, it is proposed that after making mortgage purchase commitments in 1982 to purchase eligible low-income housing mortgages for projects already under development, the "tandem plan" program for such mortgages would be discontinued. If market interest rates remain at high levels, the absence of tandem plan financing would mean a phase-out of federally subsidized low-income rental housing, which would leave many families ill-housed and add to construction unemployment.

FARMER'S HOME ADMINISTRATION

Budget Cut: $105 million

Job Loss: 41,000

Outlays would be reduced by $105 million or 7 percent in 1982. New loan commitments by three funds administered by the FmHA would be cut many times that amount. The Agricultural Credit Insurance Fund which makes and guarantees loans for the purchase and operation of family farms and provides disaster loans, would have its loan commitment authority cut by $1,139 million in 1982 in a gamble on a reduction in natural disasters.

The Rural Housing Insurance Fund makes and guarantees subsidized loans to low and middle-income home purchasers and developers of rental property in rural areas who cannot get financial assistance from other sources. The Rural Development Insurance Fund makes loans related to water and waste disposal and the development of rural business and community facilities, including fire and rescue services, health care, transportation and community, social, cultural and recreational facilities.

These programs are needed to stem the departure to urban areas of rural residents

Reagan Budget's Impact On Jobs in Fiscal 1982

	Job Loss
Jobs and Training	
CETA	340,000
Young Adult Conservation Corps	18,000
Youth Conservation Corps	2,000
General Employment and Training/Youth Programs	160,000
Transportation	
Federal Highway Construction	44,000
Mass Transit Grants	33,000
Amtrak	10,000
Local Rail Service and Conrail	2,300
Northeast Rail Corridor Improvement	2,000
Airport Construction	6,000
Commerce, Credit, Housing, etc.	
Farmers Home Administration	41,000
HUD Rehabilitation Loan Fund	4,000
Economic Development Administration	116,000
Rural Electrification Administration	158,000
Subsidized Housing	51,000
Public Housing Modernization	13,000
Natural Resources and Environment	
Water Resource Development	2,000
EPA Water Treatment Plants	91,000
Energy	
Synthetic Fuel Subsidies	91,000
Solar Energy and Conservation Bank	2,700
Solar Energy	2,500
DOE Fossil Energy Programs	4,600
DOE Energy Conservation	17,000
Federal Employees	
Reductions in Federal Civilian Employment	43,100
Postal Subsidy	N.A.
State Employment Security Agencies	5,000
TOTAL JOB LOSS	1,259,200

Unfair Cuts from Untested Theory

The measures advocated by the Administration are inequitable, unfair and short-sighted. They are based on an untested theory; unrealistic projections and questionable logic.

Budget cuts in income-support programs ignore the harm that befalls millions of Americans and will result in further shrinking purchasing power.

Budget cuts in alternative energy programs ignore the recently-learned lesson that the nation cannot be dependent upon a single source of energy or a single group of suppliers, be it a cartel of countries or a cartel of businesses.

Budget cuts in urban development, transportation and essential municipal services ignore their integral role in building the nation's economic competitiveness by providing the base for reindustrialization.

—AFL-CIO President Lane Kirkland, Mar. 4, 1981, to the House Budget Committee.

and assist economic growth and development. These cuts would result in a 1982 reduction of $166 million in home financing and $630 million for community development, representing losses of about 41,000 man years of work. In total, loan obligations would be cut by $2,935 million, greatly setting back economic development, provision of housing, family farm operations and disaster relief in rural areas.

SMALL BUSINESS ADMINISTRATION

Budget Cut: $98 million

Outlays by the Small Business Administration in 1982 would be reduced about $100 million for business loans and $16 million for technical assistance. More significant would be a reduction of $1.5 billion in loan guarantee commitment authority. SBA makes and guarantees business loans and provides technical assistance for newly developing small business, giving special attention to minority-owned business. The proposed cutbacks would decrease job creation for which small business is a major source, and minority-owned businesses would be particularly affected.

NATIONAL CONSUMER COOPERATIVE BANK

Budget Cut: $133 million

The entire $133 million of outlays proposed for 1982 for the National Consumer Cooperative Bank would be eliminated. This action would close a source of financing for cooperatives that was established about a year ago and is just getting started. Many areas in which consumers could benefit from formation of cooperatives, such as in housing, day care centers for working mothers, and prepaid medical care, would not be supported.

HUD REHABILITATION LOAN FUND

Budget Cut: $199 million

Job Loss: 4,000

The HUD rehabilitation loan fund would be terminated, 1981 budget authority rescinded, and no funds authorized for future years. Providing below-market interest rate federal loans to rehabilitate older housing and some commercial properties is vital to urban areas. The loans are used mostly to help low-income homeowners, conserve older properties and neighborhoods and thus reduce the need for new construction expenditures. Termination of this program would lead to a net reduction of rehabilitation activity, a net loss of housing and more inflationary pressures on home prices and rents. It would also mean about 4,000 man-years less of construction employment.

RURAL ELECTRIFICATION ADMINISTRATION

Budget Cut: $1,152 million

Job Loss: 158,000

Loan guarantee commitments for rural electric cooperatives would be reduced by $5.5 billion. The Reagan Administration would stop origination of REA-guaranteed loans by the Federal Financing Bank to electric cooperatives and to telephone companies and cooperatives. This would result in increased production costs for farmers and higher prices of farm products that would add to inflation. A slowdown in rural utility construction would also add to unemployment.

SUBSIDIZED HOUSING

Budget Cut: $138 million

Job Loss: 51,000

The Administration proposes to cut outlays for 1982 rent subsidies by $119 million, increasing rental costs of low-income tenants. In addition, cuts of $8.7 billion are proposed in program level authorization, which would reduce support of new units and the leasing of additional existing units. Instead of supporting a total of 260,000 units in fiscal 1982, as under the Carter Budget, there would be budget authority for only 175,000 subsidized units. Instead of authorizing 130,000 new units, there would be only about 79,000 new units. This reduction of 51,000 new units would mean the loss of about 51,000 man-years of work.

PUBLIC HOUSING MODERNIZATION

Budget Cut: $500 million

Job Loss: 13,000

The program authority to modernize and conserve the stock of low-income public housing would be reduced one fourth or by $500 million in 1982. This is justified by the Administration on an assumption that there will be a reduction of inflation-caused increases in operating costs for public housing. For the longer run, it will mean further deterioration of a valuable publicly-owned asset. For 1982, the $500 million cutback in the program level will mean a loss of approximately 13,000 jobs.

Write Now

Every American will feel the impact of the President's budget cuts if they succeed.

More than 1.2 million jobs will go down the drain.

This massive dismantling of federal programs and jobs can be stopped if Senators and Representatives are urged by the voters back home to oppose in every way they can the destruction of programs detailed in these four pages.

Write now, while this issue is before Congress. Write to your Senators and Representative, c/o U.S. Congress, Washington, D.C.

Natural Resources And Environment

Fiscal 1982 outlays for the natural resources and environment function would be reduced by about $2 billion or 14 percent from the level of the budget proposed in January through a variety of reductions, including water resource construction and municipal waste treatment grants. The budget revisions propose a moratorium on Federal land purchases and elimination of major grant programs for recreation land acquisition and development and historic preservation.

WATER RESOURCE DEVELOPMENT

Budget Cut: $230 million

Job Loss: 2,000

The Administration proposes a 15 percent reduction in planned construction for water resources programs, primarily involving recreation area, flood control and irrigation deliveries. About one-fourth of all projects would be delayed. Funding would be eliminated for the Water Resources Council and the Office of Water Research & Technology.

WATER PURIFICATION

Budget Cut: $290 million

Job Loss: 91,000

The Administration proposes to reduce funds for the municipal waste treatment grant program at a time when water supply problems are becoming critical in many regions of the country. This would cut budget outlays $290 million and budget authority $3.7 billion in 1982, severely crippling the program for years to come.

Energy

Energy research and development programs outside the nuclear area and conservation programs would be sharply cut back by the Administration. These cuts would seriously retard the nation's efforts to reduce reliance on imported oil and to deal with hardships due to price increases and supply disruptions.

SYNTHETIC FUELS SUBSIDIES

Budget Cut: $789 million

Job Loss: 91,000

Outlays of $263 million for fiscal 1981 would be rescinded and $789 million for fiscal 1982 would be cut. The Administration would eliminate nearly all direct subsidies for a half-dozen major synthetic fuels projects supported by Dept. of Energy, transferring them to the Synthetic Fuels Corp., which may or may not provide loan guarantees. This would rescind Synthetic Fuels Corp. funding support for a proposed TVA coal gasification plant, and other demonstration projects that have been approved. The cuts would set back the construction of large-scale synfuels production capacity by several years and would discourage a number of investments in large-scale synfuels production. These subsidies would have assisted at least $4.2 billion in plant construction in 1982 and 91,000 man-years of work.

OTHER ENERGY SUPPLY PROGRAMS

Budget Cut: $196 million

A one-forth reduction in outlays is proposed. There would be significant reductions in funds for research and development for geothermal, hydropower, electric energy systems and energy storage systems. The geothermal loan guarantee program would be terminated. Funds would be slashed for research and demonstration projects to analyze health and environmental effects of different energy policies and programs. Energy impact assistance, badly needed by coal and oil shale development "boomtowns," would be eliminated. Uranium resource evaluation field work needed to assess the availability of domestic uranium reserves would be phased out.

SOLAR ENERGY & ENERGY CONSERVATION BANK

Budget Cut: $134 million

Job Loss: 2,700

The Solar Energy and Energy Conservation Bank program, administered by HUD, would be terminated. It promotes the use of passive solar design features in new residences and active solar systems for new and existing homes and buildings. The energy conservation subsidies are primarily for low- to moderate-income households.

SOLAR ENERGY

Budget Cut: $380 million

Job Loss: 2,500

A 69-percent cut would be made in solar research, development, and demonstration projects. This, combined with the cut of the solar bank, would cripple an important alternative energy source.

ENERGY REGULATION

Budget Cut: $179 million

Scheduled for elimination are the coal conversion program requiring utilities to shift to coal; programs that help state public utility commissions review utility rate reforms and conservation investments; state grants for emergency preparedness planning; and emergency gasoline rationing.

LOW INCOME-ENERGY ASSISTANCE

Budget Cut: $390 million

The Administration would fold this program in with several others and cut total funding by about 27 percent. The low-income assistance program was funded at $1,850 million in 1981. A 27-percent cut would amount to $390 million. The program helps poor people pay their heating bills, using a portion of the windfall profits tax to alleviate the impact of oil deregulation.

NUCLEAR RESEARCH AND DEVELOPMENT

The Energy budget contains an additional $200 million for nuclear research and development to get the Clinch River Breeder reactor program under way.

FOSSIL ENERGY PROGRAMS

Budget Cut: $321 million

Job Loss: 4,600

Research and development in fossil fuels would be cut in half, including projects in coal liquifaction and gasification, oil shale and tar sands. An estimated 4,600 jobs could be affected.

ALCOHOL FUELS/BIOMASS ASSISTANCE

(Dept. of the Treasury Administers)

Budget Cut: $122 million

Support for alcohol fuels and biomass energy would be terminated.

ENERGY CONSERVATION

Budget Cut: $442 million

Job Loss: 17,000

Energy conservation programs would be cut by 59 percent. The Administration would rely on accelerated oil and gas price decontrol to induce conservation. Programs affected include technology development for energy from urban waste, more efficient consumer products and improved automotive engines and industrial processes. Funding would also be eliminated for low-income home weatherization assistance, which alone would cost 12,000 jobs.

Income Support

The Reagan Administration is proposing a wide range of budget reductions that would reduce significantly the Federal government's level of support for the income security of its citizens.

FOOD STAMPS

Budget Cut: $2,304 million

The Administration proposal would cut food stamps by more than 18 percent. The program provides economically disadvantaged Americans an average of little more than $1 a day—38 cents per meal—for food. Ninety percent of the recipients have incomes below the poverty line, 80 percent are children, and 13 percent are elderly or disabled. Of the 22 million individuals receiving such aid nearly 15 million need it to supplement their meager benefits from AFDC (Aid to Families with Dependent Children) and SSI (Supplemental Security Income).

Unless an additional $1.4 billion is appropriated for the current fiscal year, the entire program will collapse by July. Cuts would include lower benefits for low-income families with children receiving free school meals—43 percent of food stamp recipients—a program designed to supplement, not duplicate, food stamps. Escalating fuel and housing costs would no longer be figured into entitlement formulas, seriously hurting the elderly and working poor families who use food stamps. Other measures would reduce or eliminate benefits to the working poor and deny benefits to the newly unemployed or those whose unemployment insurance has been terminated.

CHILD NUTRITION

Budget Cut: $1,530 million

The Administration proposes to cut by over 40 percent programs that provide school lunches and breakfasts, meals at day care centers, summer programs and nutritional supplements to low-income pregnant and nursing women and infants at nutritional risk. The official budget reduction is estimated at approximately $1.5 billion, but authoritative estimates show that $2 billion is more accurate. The amount of the subsidy varies with family income. The cuts will have a particularly severe effect on poor children attending inner-city schools.

SOCIAL SECURITY

Budget Cut: $2,520 million

The Administration would cut disability insurance by 3 percent for 1982, restricting benefits or removing eligibility altogether for 55,000 now receiving these benefits; eliminate the social security minimum benefit affecting 1.5 million beneficiaries; eliminate the lump-sum death benefit for about 700,000 deceased workers without a surviving spouse or child, and phase out benefits for surviving children who are full-time students, age 18 through 21. Some 200,000 students would lose benefits immediately and another 560,000 would be cut off over four years. About three million persons would lose benefits altogether or undergo cutbacks in benefit levels. These cutbacks of social security protection provisions for workers and their families would be most harmful to widows, the disabled, the young and the poor.

AID TO FAMILIES WITH DEPENDENT CHILDREN

Budget Cut: $636 million

The Administration proposes to cut Aid to Families with Dependent Children (AFDC) by about one-sixth. AFDC provides monthly payments ranging from $29 a month per person in Mississippi to $125 a month in California to 10.7 million individuals, 7.4 million of whom are children. While proposed cuts in other programs, including CETA and unemployment insurance, will force large numbers of people to seek welfare assistance, AFDC will also have been reduced. Mothers on AFDC with children 3 years of age or over would be forced into part-time make work jobs (so-called "workfare") in which they will receive no wages but will simply work off their welfare payments.

Generous to Whom?

We do not believe that the nation has been too generous in helping the poor, the disadvantaged and the unemployed. We believe the Administration's proposal is too generous in supporting the wealthy and the powerful.

—AFL-CIO President Lane Kirkland, Mar. 4, 1981, to the House Budget Committee.

The Budget estimate of the cut is apparently a gross understatement. HHS estimates the cut at about $1.2 billion.

MEDICAID

Budget Cut: $944 million

A cut of 8 percent would be imposed on Medicaid, the health program most directly targeted to the needy. More than half those eligible for its health services have incomes below the poverty level of about $3,600 for a single person and $7,400 for a family of four. If Medicaid is slashed, the inability of the poor to pay for health care could increase chronic illness, mortality and disability, particularly of children. This could affect 22 million persons now receiving Medicaid.

NATIONAL INSTITUTES OF HEALTH

Budget Cut: $73 million

There is a $73 million reduction in the NIH budget base for 1982, involving a broad spectrum of program cuts.

The leadership of the United States in advances in basic biomedical knowledge is recognized throughout the world. Almost all this basic research is funded by the National Institutes of Health. Privately funded research cannot be expected to finance this research.

SOCIAL SERVICES

Budget Cut: $1,836 million

The Administration's proposal would cut 25 percent from the amounts available in programs to provide life sustaining services to the aged, blind, disabled, poor and children. Included in the consolidation would be the activities presently carried on by local agencies, funded by the Community Services Administration, to make the poor self-sufficient, such as job training and instruction on food and nutrition. The Administration would give states discretion as to how to distribute the remaining funds, eliminating all federal minimum standards and doing away with any accountability by states as to how the federal funds are used. State and local governments would be forced to assume the entire burden for increased caseloads and future inflation.

NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY & HEALTH

Budget Cut: $27 million

A $27-million cutback would constitute a one-third reduction in the funds available to the National Institute of Occupational Safety & Health in 1982. All NIOSH training of professionals for evaluation of health hazards at the workplace would be brought to a halt, and evaluation would be curtailed along with research on toxic substances to which workers are exposed. These fund reductions would be reflected in reductions in the health, safety and lives of workers.

PUBLIC HEALTH SERVICE HOSPITALS

Budget Cut: $82 million

Since 1798, merchant seamen and their dependents have received medical care by the Public Health Service. Such services have been provided by a network of public service hospitals and clinics. During recent years this program has been curtailed from 23 to 8 hospitals. The Administration proposes to close down the remaining hospitals and clinics, which also provide care for low-income people in their areas.

HEALTH PLANNING

Budget Cut: $45 million

The Administration proposes phasing out health planning by the end of fiscal year 1983. Though health planning is federally financed, it delegates almost complete power over the planning and development of health facilities to the states and local planning agencies, which help restrain costs by controlling duplication of facilities and equipment.

NATIONAL HEALTH SERVICE CORPS

Budget Cut: $38 million

No new scholarships for medical students would be awarded under this program, which offers tuition and living stipends in exchange for later service in areas of the country that are short of physicians. Scholarships and loans are also directed to those who intend to specialize in primary care, family practice, internal medicine or pediatrics.

UNEMPLOYMENT INSURANCE

Budget Cut: $238 million

The Administration proposes a 60-percent slash in extended unemployment insurance benefits (EB), imposing a severe hardship on 1.2 million long-term jobless workers with long and firm attachment to the labor force.

The proposed cutbacks include: (1) eliminating the national "trigger" requiring payment of extended benefits all over the country when the insured unemployment rate reaches 4.5 percent (the equivalent of a total unemployment rate of 7.5 percent or more); (2) removing EB recipients from national and state unemployment figures used to trigger EB benefits; (3) increasing the optional state trigger from 5 percent to 6 percent; and (4) denying extended benefits to anyone with less than 20 weeks of qualifying unemployment.

In addition, the Administration has proposed that all recipients of unemployment insurance benefits, regardless of their skills or experience, be forced to accept any job paying as much as the minimum wage or the unemployment benefits, whichever is higher.

Finally, ex-service members who leave the military service voluntarily after July 1, 1981 would no longer be eligible for unemployment compensation. Those who choose not to re-enlist would have no protection while they are seeking jobs.

While the official budget reduction is estimated at $238 million, official Labor Dept. estimates are that $1,456 million is more realistic.

BLACK LUNG TRUST FUND

Budget Cut: $378 million

The Black Lung Disability Trust Fund is to be cut by 78 percent. The fund compensates miners suffering from pneumoconiosis or black lung, a disabling disease caused by inhalation of coal and other mineral dust. The Reagan Administration cuts would come through much stricter eligibility requirements.

TRADE ADJUSTMENT ASSISTANCE (TAA)

Budget Cut: $1,150 million

A 77-percent cut is proposed in TAA, which pays benefits in addition to unemployment insurance to workers when increases of imports "contribute importantly" to their job losses. Benefits cover 70 percent of prior weekly wages up to a maximum benefit of $269 for 52 weeks. Workers over 60 years of age or in approved training can draw 26 additional weeks. Administration proposal would limit TAA payments to people who have exhausted U.I. eligibility, cap weekly TAA payments at the maximum U.I. amount, and limit total U.I. and TAA payments to a maximum of 52 weeks. The projected budget cuts would mean a two-thirds reduction in the weekly benefits and purchasing power of TAA recipients and a one-third reduction in the period of payments. It would reduce the benefits to below the poverty level, and greatly increase the losses from long-run unemployment for hundreds of thousands of workers.

A Costly Roll Of the Dice

The Reagan budget constitutes the most costly roll of the dice ever proposed for this nation by economic policymakers. On the line are the living standards of millions of working Americans, the unemployed and the poor, the opportunity for energy security and the hope of reviving the nation's industries and cities.

The Administration is gambling with the well-being of those who can ill afford to gamble in order to provide a sure winner for the wealthy who are not asked to take any of the risk.

—AFL-CIO President Lane Kirkland, Mar. 4, 1981, to the House Budget Committee.

Federal Employees

Contrary to popular belief, federal employment has been declining over the years, despite the rising number of government programs and the country's population growth. As of 1980, there were 2,161,000 federal employees and 660,000 post office employees. Of the federal employees, 28,000 were workers under special work-opportunity programs. A large portion of regular federal civilian employment, over 43 percent, is in the Dept. of Defense.

The Reagan Administration plans large cutbacks in federal civilian employment (except for Defense, which would be increased), and reductions in the federal subsidy to the Post Office. Stepped-up contracting with the private sector for needed goods and services will be encouraged. The Administration also plans changes in the "pay comparability" program that would produce smaller increases for federal workers.

FEDERAL CIVILIAN EMPLOYMENT

Job Loss: 43,100

The budget cuts in federal employment will be accomplished through program cuts and lower agency staffing levels. The cuts will fall entirely on civilian agencies, where 63,100 jobs will be eliminated from the 1982 level projected in the Carter Administration budget. However, 20,000 civilian jobs will be added at the Defense Dept., so that the net government-wide reduction would be 43,100.

PAY COMPARABILITY

Budget Cut: $300 million

The Reagan program incorporates pay comparability changes proposed by the Carter Administration, so that the cuts from the Carter budget estimates are relatively small (about $300 million), but the combined effect of Carter and Reagan proposals is very large—about $3.7 billion.

Under the Carter proposals, adjustments in the method of figuring comparability include: "Total compensation" comparisons, rather than pay rates only; adding state and local government pay in the comparisons; setting white collar pay on a locality basis; changing the blue collar wage system; reducing protection under federal premium pay laws; and introducing "pay flexibility" for management purposes. In addition, the Administration would set comparability at 94 percent of average non-federal compensation and require agencies to absorb 40 percent of the cost increase of higher salaries, rather than 30 percent. As a result the estimated pay increase for "comparability" is 4.8 percent in the Reagan Budget, as against 5.5 percent in the Carter Budget.

POSTAL SUBSIDY

Budget Cut: $250 million

Job Loss: N.A.

The Reagan Budget would cut outlays for the Postal Service by about 17 percent in 1982, producing higher costs for users and adverse effects on mail deliveries and jobs.

In addition, the amount of revenue foregone represented by the subsidy for non-profit mail would be cut $289 million. The effect would be a doubling of postage costs for non-profit organizations, effective Oct. 1, 1981.

Additional Programs

INTERNATIONAL AFFAIRS

Budget Cut: $1,100 million

Aid to poor countries through the Agency for International Development, the Peace Corps and food aid programs would be reduced about $300 million, and contributions to international funds previously committed would be stretched out for another $200 million reduction in 1982 outlays. In total, it would be a 7 percent reduction.

A 7-percent or $800 million reduction is proposed in international affairs outlays primarily through assumed lower interest rates, requiring less subsidy of Export-Import Bank loans, and through slower disbursements of such loans and of contributions to international organizations. There would also be a reduction in lending authority.

EXPORT-IMPORT BANK

Budget Cut: $236 million

This program provides credit support to promote sales of American goods and services overseas. It makes direct loans to purchasers, guarantees private loans and provides loan insurance against defaults on loans to foreign purchasers. The bank's activities are concentrated in some areas where American producers must compete against government-subsidized foreign companies, most notably overseas aircraft sales and large construction projects. The program changes would mean higher financing costs and a weaker competitive position for U.S. airplane manufacturers.

FEDERAL TRADE COMMISSION

Budget Cut: $8 million

The Administration is proposing a 40-percent staff reduction in the Federal Trade Commission by 1986 by phasing out the regional offices and decreasing the headquarters office. The FTC helps prevent the free enterprise system from being stifled by monopolistic and unfair or deceptive practices. Both the FTC's antitrust and consumer protection functions would be substantially weakened and the burden would be at least shifted to state and local government consumer agencies and other federal agencies, such as the Justice Dept.

GENERAL SCIENCE, SPACE AND TECHNOLOGY

Outlays in 1982 for activities of the National Aeronautics & Space Agency (NASA) and the National Science Foundation that are supported under this function would be cut about $600 million or 8 percent.

NASA

Budget Cut: $428 million

For fiscal 1982, there is a 7-percent reduction in funding for NASA space activities. Reductions affect the development of Spacelab, elimination of funding for the solar electric propulsion system and rescheduling of space science flight projects. There will be a deferral of projects such as the gamma ray observatory spacecraft, the Venus orbiting imaging radar project and spacelab experiments. There would also be deletion and reductions in space applications and general support activities.

NATIONAL SCIENCE FOUNDATION

Budget Cut: $209 million

National Science Foundation 1982 outlays would be cut $209 million, or 15 percent. Programs that would be reduced or eliminated would include those in science and engineering education and in the behavioral, social and economic sciences. University laboratory modernization grants would be deferred. The cuts thus would retard the development of human capital trained for scientific work and basic laboratory research.

JUSTICE

Program cuts for the Justice Dept. and legal aid programs total about $500 million, or 10 percent. The main reduction is accomplished through elimination of $312 million in outlays for the Legal Services Corp., which would disappear into the social services block grant for states. The corporation is the largest provider of legal aid for people unable to afford it. It has helped people to assert rights with respect to government programs, while assisting with rent disputes, family troubles, and creditor problems.

CONSUMER PRODUCT SAFETY COMMISSION

Budget Cut: $14 million

The $14-million cut for the Consumer Product Safety Commission would reduce its funds by about 30 percent in 1982. CPSC performs an important consumer protection function in identifying dangerous consumer products (including children's toys) developing product safety standards, and removing extremely hazardous products from the market.

Additional copies of this analysis of the impact of the Administration's planned budget cuts are available from the AFL-CIO Pamphlet Division, 815 - 16th St., N.W., Washington, D.C. 20006.

Public Hearing Rule Ignored

Oil Decontrol Shortcut Adds $11.7 Billion to Consumer Costs

The following article is from the New York Times op-ed page of Mar. 19, 1981. It was written by David I. Greenberg and Ann K. Lower, who are on the staff of the Consumer Federation of America.

WHEN PRESIDENT REAGAN decontrolled crude oil, gasoline, and home-heating oil, he did so without formal counsel from Congress and the public. His desire to act on his own came at the expense of public hearing requirements set out in The Economic Stabilization Act of 1971, which Congress later incorporated into statutes governing oil price controls.

The Administration's accelerated decontrol program also comes at great expense to consumers. It provides an immediate 1 percent increase in inflation, and by the end of fiscal 1981 it will have added $11.7 billion to the price of oil products.

IF OUR EXPERIENCE with oil decontrol has taught us anything, it is the wisdom of public cross-examination of presidential oil-pricing initiatives. In 1979, Secretary of Energy James R. Schlesinger estimated that decontrol would cost consumers $16 billion between June 1979 and September 1981. Later, congressional hearings forced the Carter Administration to raise its estimate to $48.9 billion for that period.

Under scrutiny, Jimmy Carter's promise of only a three-tenths of 1 percent rise in the consumer price index by September 1981 also proved fanciful. A House subcommittee demonstrated that the impact of energy price increases added nearly 4 percent to inflation in 1979.

Reagan has offered the public a set of decontrol promises that also borders on the fanciful. These forecasts underscore Congress's wisdom in requiring public hearings "to the maximum extent possible."

When Reagan signed the Executive Order Jan. 28, his advisers projected retail price increases from "almost nothing" to 3 cents to 5 cents per gallon of gasoline. "That was ridiculous," said John Lichtblau, executive director of the Petroleum Industry Research Foundation. "They were wrong within a week." Actually, they were wrong within two days. On Jan. 30, Standard Oil of California increased wholesale gasoline prices by 6 cents and home-heating oil by 5 cents as a "direct result" of decontrol.

WITHIN TWO WEEKS, gasoline prices rose an average of 7 cents and the price of jet fuel had airline companies clamoring for fare increases. The Congressional Budget Office projected increases of 9 cents a gallon of gasoline at the pump by the end of the first month. Today, consumers are paying an average of 10 cents a gallon more. At minimum, then, the impact of decontrol will be double the Reagan team's projections.

A similar fate appears to await Administration estimates of increased production, as well as Energy Secretary James B. Edwards's projected savings of 50,000 to 100,000 barrels of oil per day.

Even the industry greeted these promises with skepticism. A Gulf Oil executive put Reagan's "increased incentives" argument into perspective: "There aren't too many rigs unoccupied currently," said Charles Campbell, a senior vice president. And Lichtblau said that he anticipated only slight improvements in both production and conservation.

THESE COMMENTS fit the reality of oil economics. While the price of crude oil has jumped 1,600 percent in the last 10 years, the number of exploratory wells in the United States has risen only 10 percent.

Ultimately, the Administration's decision to forgo hearings on decontrol makes political sense. No President wants to defend an inflationary energy program that produces neither exploration nor conservation.

What the President's program will produce is tax revenues in fiscal 1981 and 1982—a projected $7.9 billion in corporate income taxes and windfall profits that oil companies collect from consumers. But a President who cherishes his tax-cutting image is unlikely to seek public comment on a tax plan posing as energy policy.

In the end, President Reagan only hastened the challenge to decontrol.

The challenge began a few weeks later. On Feb. 26, Federal District Judge Harold H. Greene heard arguments in a lawsuit filed by Sen. Howard M. Metzenbaum of Ohio, Rep. Toby Moffett of Connecticut, New York State, the Consumer Federation of America, and others that sought to overturn the decontrol order. On Mar. 5, Judge Greene refused to reverse the President's action, ruling that the plaintiffs had failed to meet the heavy legal burden required to support an injunction.

STILL, THE PLAINTIFFS scored on two important points. First, Judge Greene affirmed that the President lacked unfettered discretion to order decontrol without hearings; second, he recognized that injury to consumers "clearly appears to exist."

That economic injury will form the basis of a broader challenge to accelerated decontrol. The challenge will come from consumers, as they feel the pinch of energy costs and energy-fueled inflation. At that point, Reagan may well wish he had stayed in closer step with the law.

Targeted Relief Needed

Tax Cut Scheme Fails to Focus On Specific Industry Problems

THE ADMINISTRATION'S business tax cut proposal would apply an across-the-board solution to economic problems that are sharply different in specific industries and areas of the nation, AFL-CIO economist Arnold Cantor said.

Basic industries such as steel, autos, rubber and others have been "severely hurt by unfair foreign competition, changes in demand and a variety of other factors," Cantor noted. But, he pointed out, the Administration's across-the-board approach "goes on the basis that everyone is in the same shape." He said that unless the relief is targeted to industries and areas where it is most needed, less than half of the cut will go to additional investment in U.S. industries.

"At least 60 cents of every dollar" of the business tax cut that the Administration proposes will probably be used for corporate mergers and takeovers, overseas investments or speculation, but "none of these things do anything to boost productivity" and create jobs, he declared.

Cantor said on the network radio interview Labor News Conference that the individual tax cuts that the President is urging Congress to approve also lack balance and fairness.

THERE IS "an elegant facade of equity" in a 10 percent across-the-board cut for all taxpayers, regardless of their income level. He pointed out that under this plan, an average factory worker who makes $12,000 a year would get $92, but a $100,000 annual income earner would get $1,840.

There is "a huge risk" in the Administration's tax program, Cantor warned, and those who are taking that risk "are the people who are going to be severely hurt by the budget cuts"—low- and moderate-income taxpayers who have been hit hard by inflation and increased social security taxes.

Reporters questioning Cantor on the AFL-CIO produced public affairs program were Ben Rathbun of Daily Labor Report and Robert Cooney of Press Associates, Inc. Labor News Conference is broadcast weekly on Mutual radio.

Washington Window

By Press Associates, Inc.

IN THE ORGY of budget-cutting pushed by the Reagan Administration and embraced by conservatives of both parties on Capitol Hill, the reasons usually given are the need to cut waste and fight inflation. So it seems odd that President Reagan and his advisers want to abolish the Legal Services Corp., a model of efficiency and integrity in serving the poor.

The idea of equal justice under law is part of the very foundation upon which this nation rests. In 1963, the Supreme Court acknowledged that the cost of a defense lawyer can make some people more equal than others. In hearing Gideon vs. Wainwright, the high court ruled that people charged with a crime who are not able to afford a lawyer must be provided one at public expense. This decision inspired the public defenders system in criminal law.

However, the cost of legal aid still prevented some people from being equal under civil law. Recognizing this disparity, the American Bar Association, in 1965, under the leadership of its then-president Lewis F. Powell—now Supreme Court Justice—adopted a resolution calling for federal legal services in civil cases. The ABA pledged at that time to cooperate with the federal Office of Economic Opportunity to make civil legal services available to the poor.

IN 1974 CONGRESS created the Legal Services Corp. to "provide high quality legal assistance to those who would otherwise be unable to afford adequate legal counsel."

Legal Services distributes funds to local and state programs to meet the legal needs of poor people in housing problems, consumer disputes, family law matters and other civil law problems.

In 1981, the more than 6,000 lawyers employed in 323 local and state programs handled over 1.5 million cases. The federal appropriation for the programs is about $321 million. Since there are about 30 million poor people in the United States, the federal appropriation works out to about $10 per person. Only about 3 percent of its budget goes for administrative costs.

The maximum income levels to qualify for help from Legal Services are $4,738 per year for an individual or $9,313 for a family of four.

LEGAL SERVICES helps poor people with problems like these—often without having to go to court.

If Legal Services is providing equal access under the law to poor people at a comparatively small cost and is doing it efficiently, why is the Administration seeking to destroy the corporation?

Some are convinced the motive is political.

During Reagan's first term as governor of California, he sought to cut funds for state welfare and medical aid to the poor. California Rural Legal Services lawyers representing the poor, forced 21 counties in that state to broaden food stamp and school lunch programs and to restore the cuts.

Following his loss in this battle in 1970, Reagan vetoed a $1.8 million federal grant from the OEO to Rural Legal Assistance on the grounds that the poverty law agency had "misused taxpayers funds and . . . failed in its mandated purpose of serving the true civil legal needs of the poor."

However, a commission appointed by OEO to investigate Reagan's claims called the California Rural Services agency "competent, efficient and exemplary," with not a "shred of evidence showing actual misconduct." The grant was restored.

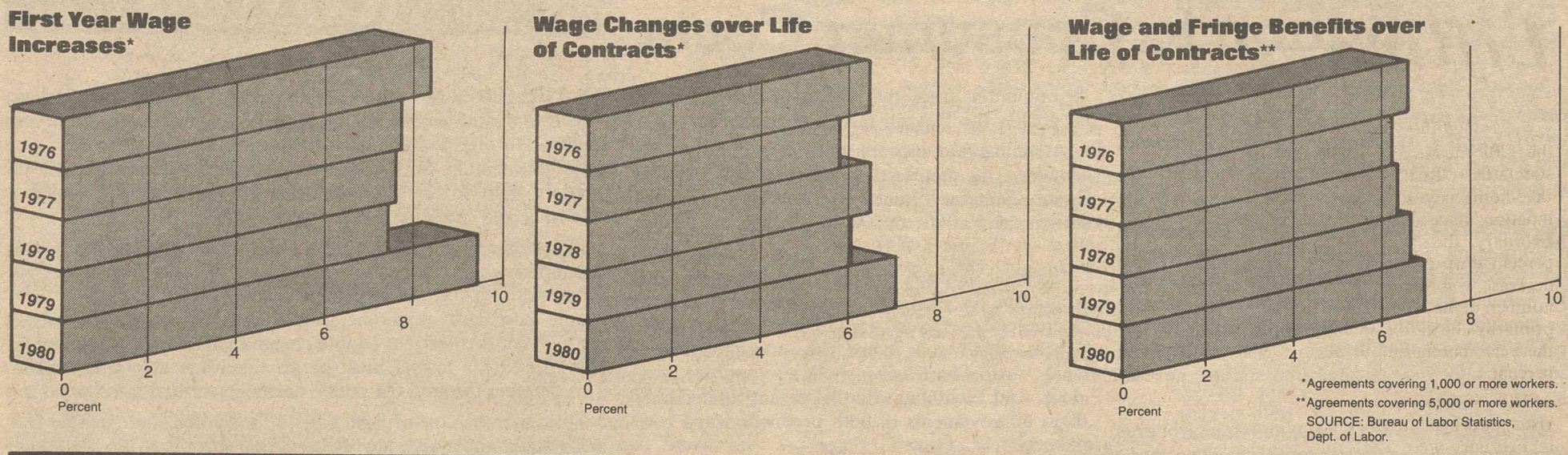
The Administration does not say outright that it is against legal services for the poor. Rather it is lumping funds for that and dozens of other programs into block grants, cutting the total, and turning the job over to the states and localities. They are then free to fund their own legal services programs. The Catch 22 is that the federal agency has battled many of these same governments on behalf of the poor.



ACROSS-THE-BOARD business tax cuts that the Administration is proposing will not ease the economic problems of specific industries, AFL-CIO economist Arnold Cantor, center, said on Labor News Conference. He was questioned in the public affairs interview by Robert Cooney, left, Press Associates, Inc., and Ben Rathbun of the Daily Labor Report. The program is broadcast weekly on the Mutual radio network.

Increases Under Major Agreements

(Average Annual Rate of Increase Negotiated)



*Agreements covering 1,000 or more workers.
**Agreements covering 5,000 or more workers.
SOURCE: Bureau of Labor Statistics, Dept. of Labor.

Wage Catch-Up Heads '81 Bargaining Agenda

Collective bargaining on major contracts this year will affect an estimated 2.6 million workers, a lighter schedule than in either 1979 or 1980.

The prognosis for 1981 is for more of the same problems—trying to keep up with inflation, says Arne Anderson, research associate in the AFL-CIO Dept. of Economic Research in the current issue of the American Federationist.

IN 1980, collective bargaining faced a relentless treadmill, Anderson notes. Inflation, as measured by the federal government's consumer price index, was up 12.5 percent—the second highest annual rate in over 30 years, behind only the 13.4 percent increase of 1979. Over the year, real average weekly earnings—take-home pay stripped of inflation since 1967—fell 3.8 percent. During the last two years, workers' purchasing power has declined by 10 percent.

At the same time, last year's unemployment situation was bad, and has not really improved that much so far this year. The nation's jobless rate rose from 6 percent in December 1979 to 7.6 percent last May. Since May, the jobless rate has fluctuated between 7.4 and 7.6 percent, for the most part, declining to 7.3 percent only last month.

"Because of the economic conditions, collective bargaining in 1980 was a year of scrambling to keep even," the article in the federation's monthly magazine observes. Workers under major private collective bargaining agreements—defined as those involving 1,000 or more employees —received an average first-year wage increase of 9.5 percent last year — way behind the cost of living. While the figure does not include adjustments under escalator clauses, COL provisions were unable to make up for all the purchasing power lost by workers.

"Roughly 61 percent of the workers in 1980 settlements were covered by some form of COLA provision," Anderson notes. "The average 1980 gain negotiated by all COLA clauses, both current and previously negotiated, was 7.3 percent, or less than 60 percent of the actual increase in the cost of living."

THE 2.6 MILLION workers covered by major 1981 bargaining compares with about 3.7 million in each of the two previous years. The major industries where bargaining takes place this year are railroads, mining, postal service, airlines, maritime, West Coast longshoring, and construction. The two largest units involve 570,000 employees of the U.S. Postal Service and 438,000 railway workers under contract with the nation's major railroads.

In 1981, about 6.1 million workers are slated to receive an average 7.3 percent increase under previously negotiated pacts. This compares to a 6.7 percent deferred increase for almost 5 million workers last year. The hikes excluded COL adjustments. Deferred 1981 increases will average 7 percent in manufacturing, 7.7 percent in non-manufacturing, and 9.6 percent in construction.

EXAMINING THE leading trends of last year's bargaining, Anderson notes that pension plans gained added importance. As hard hit by inflation as wages, pension benefits were improved wherever possible.

The Machinists, for example, raised pension rates at Lockheed from $12.60 to $14 per month per year of service prior to 1981. For each year worked after 1981, the rate will rise from $14 to $17. In 1983, the monthly benefit for past service will go up an additional $1 per year of service.

Although court rulings have held that issues relating to retired workers are not mandatory bargaining issues, current retirees were not neglected in last year's bargaining. The Steelworkers, for instance, secured pension increases of 10 to 70 percent for past retirees from the nation's major steel firms. Those who retired before July 31, 1966, received the full 70 percent boost. The USWA and other unions also negotiated major increases for new retirees in their settlements in the copper and aluminum industries.

Escalating medical costs also increased the need for protection, which often took the form of higher major medical, improved coverage, and dental plans, Anderson notes. Along with wider coverage, higher employer contributions to health and welfare funds were negotiated.

PLANT CLOSINGS made job security and severance conditions another prime issue in bargaining last year. In its three-year contract with A&P, the Food & Commercial Workers won a provision that gives workers a $300 lump sum payment for each consecutive year of employment if a store is closed and the worker was hired before Aug. 7, 1971.

Attendance and paid leave time were connected in a contract provision between the UAW and the J. I. Case Co. Employees with one to 10 years of seniority will receive 1.5 bonus hours for each week of perfect attendance and an additional 3.75 hours for every consecutive five weeks of perfect attendance.

For workers with 10 to 20 years of service, the bonus goes to two hours a week with five hours for five weeks of perfect attendance. For workers with over 20 years of service, the bonus hours go to three and 7.5, respectively. The worker can take up 80 hours in paid leave per year, and receive pay for the excess.

In other areas, better vacations were achieved through shortened eligibility requirements; work conditions, grievance procedure, and union security improved; prepaid group legal plans adopted, and educational leave approved. Also, some smaller contracts provided unique fringe benefits not found in major contracts.

Schedule for April Listed By Labor Studies Center

Three labor studies programs are being offered by the George Meany Center at Silver Spring, Md., during April for officers and staff members of AFL-CIO unions.

Seven AFL-CIO affiliates, two AFL-CIO departments and the American Institute for Free Labor Development will use the campus during the month for their own training programs. The schedule:

Labor Songs and Labor Lore, Apr. 5-8—The third annual program for unionists interested in keeping alive the traditional songs and stories of labor.

Effective Union Action for Civil Rights, Apr. 12-16—A conference on civil rights and women's rights Designees of AFL-CIO unions co-sponsored by the AFL-CIO Dept. of Civil Rights.

New Developments in Collective Bargaining, Apr. 12-17—An institute to examine innovations in collective bargaining and review ways to soften the impact of changing technology.

Unions using the campus for leadership development during April are the Flight Attendants, Mar. 30-Apr. 2; Service Employees, Apr. 5-10; Printing & Graphic Communications Union, Apr. 5-10; Asbestos Workers, Apr. 17 and 20; Bakery, Confectionery & Tobacco Workers, Apr. 21-24; Carpenters, Apr. 26-May 1; Communications Workers, Apr. 26-May 1.

The AFL-CIO Dept. of Legislation has scheduled a seminar for union legislative representatives Apr. 20-21; the Dept. of International Affairs will hold a pre-conference session Apr. 21-24, for the U.S. delegation to the 67th Conference of the International Labor Organization in June.

The AIFLD is hosting 40 Spanish-speaking Latin American trade unionists through Apr. 24.

In addition, the center is sponsoring four off-campus programs: a briefing session on pension fund investment, Apr. 9-10, at San Francisco; an institute on pension bargaining at the University of California, Berkeley, Apr. 12-16; training sessions in the center's National Project on Transit Technology & Innovation at Pennsylvania State University, Apr. 5-10, and at the University of Illinois, Apr. 26-May 1.

Information on these and other labor studies programs may be obtained from Fred K. Hoehler, Jr., director, George Meany Center, 10000 New Hampshire Ave., Silver Spring, Md., 20903. Telephone 301/431-6400.

Reagan Budget Cut to Inflate Nonprofit Press Postal Rates

Detroit—Every member of Congress should quickly be made aware that one of the Reagan Administration's proposed budget cuts would seriously jeopardize the continued existence of much of the nation's nonprofit publications, the International Labor Press Association's executive council declared here.

The proposed slashes, unless restored, would result in the immediate doubling, and more, on Oct. 1, 1981, of second- and third-class postage rates for nonprofit publications.

Among those affected would be newspapers, newsletters and magazines published by churches, veterans' and farm groups, educational and charitable institutions and community organizations as well as unions at all levels—from locals through internationals.

THE DOUBLING of the rates would occur through the Administration's proposal to eliminate appropriations mandated by Congress in 1970 and 1974 to phase in over 16 years steep increases in nonprofit mailers' postage so that it will cover costs directly attributable to their publications' delivery, the ILPA council noted in a "statement of concern."

Nonprofit publications' postage rates have increased by about 1,500 percent in the last ten years—the largest percentage increase of any class of mailer—and under the phase-in program are due to double again by 1987.

THE ILPA'S mailing consultant, Edwin M. Schmidt, director of the AFL-CIO Dept. of Reproduction, Mailings & Subscriptions, projected the increases several unions' publications would face Oct. 1 under the Reagan budget:

- More than 150 percent, to just over $2,000 per issue, for an eight-page tabloid newspaper with 25,000 circulation.
- More than 130 percent, to over $8,200 per issue, for a magazine of 100,000 circulation.
- Just over 100 percent, to $19,400 per issue, for a tabloid of 325,000 circulation.

"Since enactment of the Pony Express statutes" circulation of the printed word in the mails has been treated as "a public service to be promoted by the government," the ILPA council declared.

"The freedom of speech of nonprofit organizations would be seriously jeopardized by the high cost of postage" if the Reagan proposal to eliminate the nonprofit rate phase-in appropriation is allowed to stand, the ILPA said.

Real Wages Drop

Price Surge Follows Lifting of Oil Controls

(Continued from Page 1)

the CPI meant another decline in living standards. "Real" spendable earnings—take-home pay adjusted for the impact of inflation since 1967—fell 1.5 percent in February, the largest decline since a 2.4 percent drop in April 1979. Last month's decrease was helped by a decline in the number of hours people worked, but was primarily the result of higher prices. Over the year, purchasing power was down 4.4 percent.

The average earnings of all non-supervisory workers in private, non-farm jobs in February were $247.46 a week in current dollars. Adjusted for inflation, however, the average worker's "real" weekly pay was only $93.66. January's comparable figures were $249.21 and $95.19.

The sharp increase in petroleum-product prices last month far outweighed price advances for other goods and services. Food and beverage prices were up only two-tenths of 1 percent, after declining by that much in January. Shelter costs increased six-tenths of 1 percent, compared to seven-tenths of 1 percent the month before. Apparel and upkeep costs rose five-tenths of 1 percent after gaining by three-tenths of 1 percent in January.

THE BIG increase in gasoline prices last month pushed the CPI's transportation component up 2.4 percent, the largest advance in 12 months. Automobile finance charges continued to rise, although by less than in recent months. Used car prices rose five-tenths of 1 percent. Prices for new cars, softened by rebate programs of domestic automakers, declined one-tenth of 1 percent, following an increase of one-tenth of 1 percent in January.

About three-fourths of the six-tenths of 1 percent increase in the housing index was due to higher costs for fuel and other utilities. Increases in maintenance and repair, property taxes, and rent were offset by a decline in house prices.

The relatively small two-tenths of 1 percent rise in food and beverage prices reflected another sharp drop in prices for meats, poultry, fish and eggs. Prices for fresh fruits and vegetables rose 2.3 percent in February, partly due to severe weather conditions. Prices for cereal and bakery products rose eight-tenths of 1 percent.

MEDICAL CARE charges rose nine-tenths of 1 percent over the month, down from the 1.3 percent January increase. Entertainment costs jumped by 1.2 percent as against nine-tenths of 1 percent in January.

Weidenbaum told the congressional panel that he expects April to be the "peak month" for inflation this year, when an overall rate of about 1.1 to 1.2 percent, as food price increases speed up and auto rebates end.

The Administration is forecasting an average inflation rate of 11.1 percent this year, dropping to single digits next year. Weidenbaum said that the Administration's 1981 forecast "allows for the possibility of very sluggish economic activity —or even a period of outright decline— during the spring and summer quarters of the year, until the elements of the (Administration's) economic program are put into place."

Crafts, Industry Revise Plan to Settle Disputes

Five AFL-CIO building trades unions, the unaffiliated Teamsters, and the Associated General Contractors of America have agreed on a revised voluntary plan for the settlement of impasses to "avoid costly and sometimes unnecessary work stoppages" in the construction industry.

The plan, which updates procedures developed in 1978, includes a 30-day waiting period during which local bargaining parties at an impasse would agree not to engage in a strike, lockout, or any other economic action.

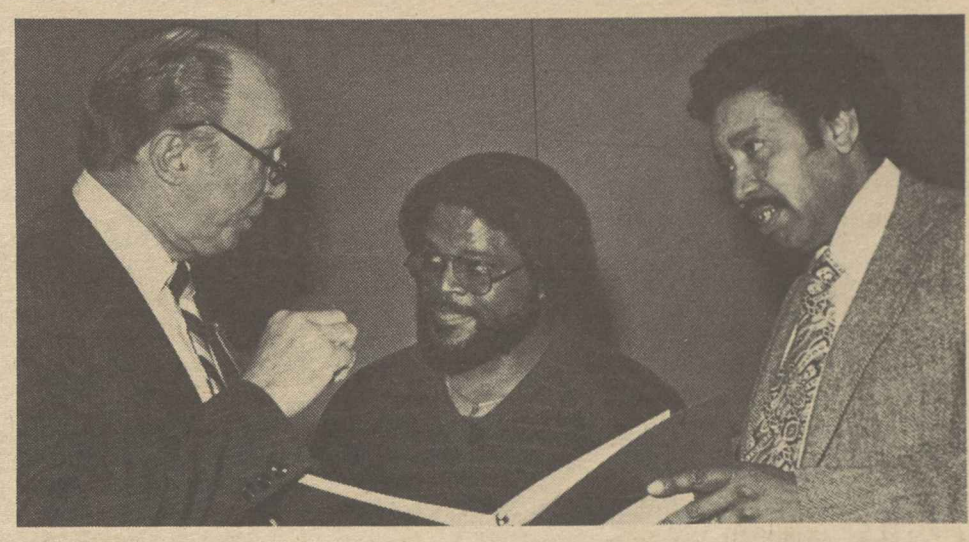
The deadlock would be referred to a dispute settlement board consisting of two national representatives from the contractors' association and two from the union whose local is involved in the bargaining impasse. The board must issue its decision within 30 days.

THE BOARD may be expanded, when appropriate, to include representatives of other affected associations. If more than one basic trade has reached an impasse in the area, there will be coordination between the involved dispute settlement boards.

The plan was unveiled by AGC's Basic Trades Joint Labor Management Committee co-chaired by AGC President-elect Thomas Dailey and President J. C. Turner of the Operating Engineers. Other unions that have endorsed the plan are the Iron Workers, the Laborers, Plasterers & Cement Masons, and the Carpenters.

Gusher







DURING A BREAK in sessions at the AFL-CIO regional conference in Chicago, views are exchanged by Federation Sec.-Treas. Thomas R. Donahue (top photo) and President Lane Kirkland with conference participants. Other regional meetings are scheduled for Denver, Atlanta and New Orleans. The three-day San Francisco conference concludes Mar. 28.

California High Court Upholds State Employee Bargaining

The California Supreme Court has upheld a collective bargaining law covering 130,000 state employees whose unions previously had only "meet and confer" rights.

Its 4-2 decision, welcomed by the state's labor movement, paves the way for union representation elections and negotiations of contracts.

A court challenge brought by the anti-union Pacific Legal Foundation had blocked implementation of the 1977 law, the State Employer-Employee Relations Act. A state appellate court had struck down the law as an infringement on civil service provisions of the California constitution, but the supreme court majority found no conflict.

THE HIGH COURT also rebuked State Atty. Gen. George Deukmejian for switching sides and filing his own challenge to the law. Deukmejian was elected as a Republican, but the court noted that he is by law the attorney for the governor, Democrat Edmund Brown, Jr., and for the state.

The supreme court said Deukmejian was within his rights in withdrawing from the case and authorizing the appointment of a special counsel to defend the law. But it could find "no statutory or ethical authority" to justify the attorney general to "represent clients one day, give them legal advice with regard to pending litigation, withdraw, and then sue the same clients the next day on a purported cause of action arising out of the identical controversy."

It is "generally understood," the court said, that before an attorney may represent interests adverse to a client, he must obtain the client's consent in writing.

The four-member majority of the state supreme court said the legislation under review follows logically from earlier state laws that established collective bargaining procedures for teachers and other school employees and for the state's colleges and universities.

INVALIDATION of the law, the state justices said, "would be a sorrowful step backwards" in establishing a framework to resolve employer-employee disputes.

One of the two dissenters was William P. Clark, who was confirmed last month as Deputy Secretary of State, but refrained from taking his oath in order to take part in a final group of decisions of the California Supreme Court.

Clark, a close personal associate of President Reagan who came under fire during his confirmation hearings for an apparent lack of knowledge of foreign affairs, resigned from the state court on Mar. 24, after the decision on the collective bargaining case was handed down.

Senate Launches Floor Debate on Budget Slashes

(Continued from Page 1)

office in which a new president is presumed to have the goodwill of the public and of the polls-conscious Congress.

With Republicans in the majority, the legislative committees dutifully and promptly notified the Budget Committees of the amount of "savings" they estimated could be made from cuts in programs in their jurisdictions.

IN THE FEW instances when the projected cuts were below the Administration's blueprint, the conservative-dominated Budget Committee did not hesitate to overrule the legislative committees.

For example, the Democrats and moderate Republicans on the Labor & Human Resources Committee agreed to fund some programs at higher levels than the Administration proposed. But the Budget Committee voted to direct the Labor & Human Resources Committee to cut its programs $1 billion more than it had planned to do.

THE EXACT programs to be cut are not specified in the budget resolution, so there is some flexibility for the legislative committees to shift funds among the various programs.

Technically, the resolution directing the cuts is a measure to cut spending authority for the balance of this fiscal year, which runs through Sept. 30, 1981. But its chief impact is to reduce outlays for the 1982 fiscal year, with still further cuts mandated for fiscal 1983.

Protest Rally Scheduled

Rail Unions Plan Battle To Save Conrail, Amtrak

Railway labor organizations called for an Apr. 29, Washington, D.C., rally to protest President Reagan's "misguided budget cutting" of Conrail and Amtrak rail service.

The Administration proposals, which would cut Amtrak service by 75 percent and liquidate Conrail by selling its lines to other railroads, is "the most serious crisis for America's railroad workers since the dismal days of the 1930 Depression," Chairman Fred J. Kroll of the Railway Labor Executives' Association declared.

"THE THREAT to jobs and living standards is so menancing that it cannot be accepted passively by the unions of railroad workers in this country," Kroll said in a statement.

Kroll said he expects several thousand members of the various railway labor organizations affiliated with RLEA to come to the nation's capital to express their opposition to the Reagan proposals on federally subsidized rail transportation.

Earlier, Kroll presented the unions' position in testimony before a Senate Commerce subcommittee on surface transportation. His views reflected those expressed at an emergency meeting of the 16 RLEA affiliates in Washington on Mar. 18.

The Administration's proposed dismantling of the Amtrak passenger service comes at a time when it is increasingly popular with the traveling public, particularly those in the lower income levels, Kroll observed in his statement. Fund reductions would leave only Amtrak's northeast corridor intact, wiping out some 21,000 jobs.

BY SPLITTING up Conrail and selling its lines to other railroads, the viability of the nation's northeastern and midwestern rail freight systems most certainly would be endangered, Kroll said. The Administation also proposes to relieve Conrail of its obligation to run intercity passenger and commuter trains. Some 50,000 jobs would be cut altogether, and remaining Conrail employees would be expected to take severe wage cuts and loss of their employee representation, Kroll noted.

"History offers no parallel to our present situation: the government of an industrially advanced nation giving serious consideration to a series of programs which contain such obvious shortcomings and dangers not only for railroad transportation but for the entire economy.

"In their passionate zeal for budget-cutting, the Reagan Administration and its congressional allies appear to ignore completely the economic and social costs of battering the railroad industry and the workers who are employed in its operations.

"It is time to remind President Reagan and his advisers that there is a 'community side' and an 'employee side,' as well as a 'supply side,' to the national economy."

RLEA affiliated unions are the Train Dispatchers, Locomotive Engineers, Maintenance of Way Employees, Signalmen, Carmen, Railway & Airline Clerks, Hotel & Restaurant Employees, Machinists, Boilermakers & Blacksmiths, International Brotherhood of Electrical Workers, Firemen & Oilers, Longshoremen, Seafarers, Marine Engineers, Yardmasters, Sheet Metal Workers, Transport Workers, and United Transportation Union.



SERIOUS CRISIS for America's railroad workers is posed by the Administration's plan to slash Amtrack and Conrail passenger and freight operations at a cost of about 22,000 jobs, rail union officers told the Senate Commerce subcommittee on surface transportation. Testifying are, from left, Railroad Clerks President Fred J. Kroll, chairman of the Railway Labor Executives Association; William Mahoney, RLEA counsel; United Transportation Union President Fred A. Hardin, and UTU Vice President James Burke.

Tax Breaks Opposed For Special Accounts

Congress should reject legislation that would add a host of new tax deductions for persons establishing individual retirement accounts and other forms of special bank accounts, the AFL-CIO urged.

Assistant Research Director Arnold Cantor cautioned in a statement to a Senate Finance subcommittee that tax exemptions on interest for accounts set up for future education or home purchase would benefit primarily persons with the largest incomes. The revenue loss would have to be made up by other taxpayers, he noted.

Kirkland Hits Unfair Tax Cut, Urges Social Security Credit

(Continued from Page 1)

any tax relief for some 15 million low-income working Americans—even though their social security payroll tax went up this year.

THEY ARE NOT the only ones who would be better off under the AFL-CIO proposal for a social security tax credit, Kirkland said. Most moderate and middle-income wage and salary earners would also receive a larger first-year tax cut under the AFL-CIO plan.

The top 5 percent income bracket—those over $50,000 a year—would still get 5 percent of the total tax benefits under the AFL-CIO proposal, Kirkland noted. But under the Reagan plan, they would take away 30 percent of the tax savings.

Kirkland stressed the labor movement's dissent from the Reagan Administration's "upside-down notion of equity" in tax relief—and from the "supply-side" economic theory on which it is based.

"WE SEE NO justification, particularly in this time of budget slashing and proclaimed need for austerity and sacrifice, to throw as much as $60 billion a year in federal tax cuts to the nation's corporations and their stockholders," Kirkland said.

Nor, he added, does the AFL-CIO consider it probable "that this largess will trickle down to workers and consumers in the form of needed jobs and more goods and services at reasonable prices."

The Administration's tax plan was also scored by Communications Workers President Glenn E. Watts, who told the committee that its result would be to further shift the tax burden from the wealthy to middle- and low-income wage earners.

Further, he protested, "while the Administration program shifts major spending responsibilities from the federal level to state and local governments, it also takes away funds needed to meet these new obligations."

THE PRESIDENT'S tax plan gained the enthusiastic endorsement of the Chamber of Commerce and the National Association of Manufacturers, however. Both groups urged the Ways & Means Committee to give approval to the Reagan proposal.

Ways & Means Committee Chairman Dan Rostenkowski (D-Ill.) has said the committee is likely to come up with a one-year tax package close to what the President has asked, but with some "compromises" that reflect the diversity of views presented at the hearings.

3/28/81

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Move to Cut Flight Attendants Held Threat to Safety, Service

The safety and rights of the traveling public could be jeopardized by a proposal to change the rules governing the size of cabin crews on airliners, the Association of Flight Attendants charged.

The union called on the Federal Aviation Administration to withdraw a proposed change in regulations that would allow air carriers to base the number of attendants on each flight on the number of ticketed passengers instead of on the seating capacity of the plane.

The AFA, an affiliate of the Air Line Pilots, represents 23,000 professional flight attendants.

AT A NEWS conference called to launch a public awareness campaign opposing the change AFA President Linda Puchala called it "dangerous and foolish."

In addition to its safety implications, Puchala emphasized, the new rule would permit the airlines to do away with most passenger seating preferences at the carrier's convenience.

The new rule, proposed Jan. 19, would require only one flight attendant for every 50 ticketed passengers with a minimum of two attendants per flight. The current standard, adopted in 1974, requires one attendant for every 50 seats in the aircraft.

Under the new proposals, Puchala told reporters, it is possible that a 400-to-500-seat Boeing 747 would be allowed to take off with as few as two flight attendants.

"In an emergency," she emphasized, "we must evacuate a plane in a matter of seconds, not minutes. To accomplish this, we need an adequate, well-trained crew of professionals."

The union estimates that safety-trained professional flight attendants have an average of 50 seconds to get passengers off a burning plane. The primary function of flight attendants on any commercial aircraft is passenger safety, the union points out. By law, flight attendants must take part in safety training programs every year.

PUCHALA explained that the original standards for safety crews were set by the FAA based on aircraft seating capacity, number of exits, seat spacing and width of aisles. Seating capacity was accepted as a "good indicator" of all these measurements, she noted.

The proposed FAA rule would allow airlines to concentrate passengers in blocks in one part of a plane, yet there is no evidence that grouping passengers in a particular area increases safety, Puchala said.

"In fact," she warned, "such a seating arrangement might well hinder people from reaching the nearnest functioning exit if an emergency should arise."

GIVING THE air carriers the option of seating passengers in designated areas interferes with a traveler's right to sit in the part of the plane where he or she is most comfortable, Puchala asserted.

Preferences such as aisle or window seating, first class, buffer zones between smoking and non-smoking sections could become unavailable, she pointed out.

The union's public awareness program, the Campaign for Air Passenger Safety (CAPS), will include demonstrations at major airports on Apr. 3 and 4. Passengers will be asked to write the FAA and President Reagan to urge that the rule change be dropped.

Governor's Veto Blocks New Mexico R-T-W Law

Santa Fe, N.M.—Gov. Bruce King slammed the door on a "right-to-work" bill, making New Mexico the third state to block the anti-union strategy this year. King, a Democrat, vetoed the measure on Mar. 20 just one day before the end of the legislature's official session. He had vetoed a similar bill in 1979.

Earlier this month, a "right-to-work" proposal was stalled in Idaho where the state senate indefinitely tabled the measure by voting to return it to the lower house. A bill designed to cripple Montana's public employee unions, branded by the State AFL-CIO "a first step to 'right to work,'" was killed in committee.

Although the New Mexico legislature is meeting in special session to discuss budget issues, the State AFL-CIO said the governor's action was sufficient to make the issue "definitely dead" for this year.

The legislature also sent the governor a bill repealing the state's prevailing wage law, but it did not reach his desk within 72 hours of adjournment of the legislature. In such cases, state law gives the governor until mid-April to decide whether to veto the bill, which passed by only a slim margin.

Unions Hit Stall on Cotton Dust Rule

Will Fight Court Delay On Standard

By John R. Oravec

The Reagan Administration's attempt to block the federal cotton dust standard from moving forward was assailed by AFL-CIO President Lane Kirkland as a disservice to workers who face the hazards of brown lung.

In a two-step move, the Occupational Safety & Health Administration called for an economic impact review of the regulation and asked the Supreme Court to delay a pending decision on the 1978 standard.

"WE BELIEVE it is a disservice to the exposed workers and the legal process for the Labor Dept. to make an eleventh hour attempt to reopen a rulemaking proceeding that began more than five years ago," Kirkland said.

He pledged that union parties involved in the cotton dust case—the federation, the Industrial Union Dept. and the Clothing & Textile Workers—will oppose efforts to delay the high court's decision.

Assistant Labor Sec. Thorne G. Auchter, the new head of OSHA, said in announcing the agency's action that the cotton dust standard would remain in effect while the cost-benefit analysis is conducted.

AUCHTER SAID the action is in line with President Reagan's Executive Order of Feb. 19 which requires federal agencies to assess the costs and benefits of major federal regulations.

Although OSHA will focus only on the cotton dust standard at this time, Auchter acknowledged at a press conference that the economic impact study would be done with a view toward subjecting other OSHA standards to similar scrutiny.

OSHA initiated the review on Mar. 27, the same day that textile employers were required to establish and implement a written program of engineering controls and work practices aimed at sharply reducing worker exposure to cotton dust. Provisions of the existing standard require the industry to have engineering controls and work practices completed by Mar. 27, 1984.

WORKERS exposed to excessive levels of cotton dust are particularly susceptible to byssinosis, the crippling brown lung disease. Government studies show that up to 800,000 workers, mostly in the textile industry, are exposed to cotton dust.

A booklet issued by OSHA last year said that "over 35,000 cotton workers have already been crippled from cotton dust exposure, and thousands of others show some signs of brown lung."

Auchter ordered the recall and destruction of some 100,000 of the booklets that had been sent to OSHA field offices before he took office.

THE STANDARD that OSHA issued in June 1978 provides for a graduated reduction in exposure levels—first through

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AFL-CIO News

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Labor Joins in Outrage At Assault on President



PRESIDENT REAGAN received a cordial welcome at the legislative conference of the AFL-CIO Building & Construction Trades Dept., the first union meeting he had addressed since taking office. It was as the President left the hotel after his speech that the assassination attempt took place. In this picture are, from left, Iron Workers President John H. Lyons, BCTD President Robert A. Georgine and, at right, BCTD Sec.-Treas. Joseph F. Maloney.

Kirkland Calls Mad Violence Threat to All

By David L. Perlman

America's trade union movement reacted with shock and outrage to the attempted assassination of President Reagan, and workers everywhere joined in the prayers for the full recovery of all the victims.

In Denver, hours after the shooting, AFL-CIO President Lane Kirkland spoke to participants in a 10-state regional conference of the shock waves from the gunfire.

SUCH MAD violence threatens society's foundations, Kirkland said, assaulting "not only the public servants who stand in the line of fire, but the people at large." Democratic institutions such as the trade union movement "require for their survival civilized discourse in a humane society," he noted.

"Whatever our differences with the President's policies," Kirkland said, "we have never doubted that we share with him an overriding common purpose—the good of our country."

The trauma and dismay was especially felt by more than 5,000 delegates and guests at the legislative conference of the AFL-CIO Building & Construction Trades Dept., where Reagan had spoken just minutes before the shooting.

Reagan had addressed the group at the start of the afternoon session on the opening day of what was scheduled as a three-day legislative conference. It was his first speech to a union meeting since he assumed the presidency.

(Continued on Page 3)

Senate Actions Affirm Reagan's Budget Cuts

The Senate directed its legislative committees to rewrite laws and change funding levels of government programs so as to achieve the drastic budget cuts demanded by the Administration.

Through a week of debate, an alliance of Republicans and conservative Democrats repeatedly crushed labor-supported attempts to salvage programs that have provided a cushion against the severe unemployment brought on by economic recession and unrestricted imports.

TWO KEY VOTES on issues of special importance to the trade union movement reflected the Senate's uncompromising mood.

One test came on the issue of scuttling the trade adjustment program so that workers who lose their jobs because of increased imports resulting from the government's virtually tariff-free trade policy would get no more in weekly benefits than is provided through their state's unemployment compensation program.

Sen. Thomas F. Eagleton (D-Mo.) sought to strike from the budget reconciliation bill an instruction to the Senate Finance Committee that would virtually compel it to enact the Administration plan in order to achieve a $500 million savings in trade-related categories of the budget.

HIS AMENDMENT was beaten, 69-29.

Another Administration proposal, which Senate Republicans are seeking to compel through the budget reconciliation process, would drastically curtail eligibility for extended unemployment benefits for those who are still without jobs when their state payments run out. It would eliminate the national trigger for the program, and per-

(Continued on Page 3)

Congress Urged to Keep Trade Act Benefits Intact

The AFL-CIO and unions representing workers whose jobs are threatened by imports urged Congress to reject Administration cost-cutting proposals that would effectively destroy the trade adjustment assistance program.

The program, which labor has urged be broadened to cover additional groups of workers, now allows 70 percent of lost pay up to a maximum of $269—the average factory wage—to workers whose jobs have been wiped out by increased imports. Benefits can continue for up to 52 weeks of unemployment, with an additional 26 weeks allowed to complete retraining programs or for displaced workers over the age of 60.

A panel of labor representatives, testifying before a House Ways & Means subcommittee, protested that changes sought by the Administration would deny workers hurt by imports the income protection that the Trade Act of 1974 and predecessor laws directed they be given.

THE ADMINISTRATION assumption, AFL-CIO Legislative Rep. Stephen Koplan charged, is that "the way to solve the budget problem is to deny workers payments the law entitles them to receive."

Under the Administration proposal, designed to chop 77 percent from the program's budget cost, eligible workers would

(Continued on Page 2)

Economic Index Drops for Third Straight Month

The government's index of leading economic indicators fell for the third month in a row in February, portending a bumpy road for the nation's economy in the months ahead.

The three consecutive drops in the index, which is designed as a barometer of future economic activity, followed six straight months of increases.

THE FEBRUARY index fell three-tenths of 1 percent following declines of six-tenths of 1 percent in January and one-tenth of 1 percent in December. Both of the latter figures represent revisions of earlier Commerce Dept. estimates.

The Reagan Administration has predicted a lackluster economic performance

(Continued on Page 7)

OSHA Kills Pamphlets on Brown Lung

A 16-page booklet that alerts textile workers to the health hazards of cotton dust has been recalled by the new head of the Occupational Safety & Health Administration.

It was one of the first acts of Thorne G. Auchter after his confirmation by the Senate as assistant Secretary of Labor.

AUCHTER SAID he ordered the recall of the booklet, titled Cotton Dust: Worker Health Alert, because a photo on the cover "makes a clearly biased statement" in favor of workers and against employers.

The photo is a candid portrait of a worker. The inside cover identifies him as Louis Harrell, who "worked 44 years in the cotton industry. He died of brown lung in 1978."

Brown lung, or byssinosis, is a crippling and sometimes fatal respiratory disease resulting from the inhalation of excessive levels of cotton dust.

Auchter disclosed the recall of the booklets at a press conference at which he announced OSHA's plans to review the federal cotton dust standard and undertake a cost-benefit analysis. He denied that he had ordered the booklets destroyed.

BUT A MEMORANDUM issued Mar. 19 by Auchter's acting director of information, Jim Foster, said the booklet "should be withdrawn from circulation and destroyed."

A copy of the memorandum, which was acquired by the Clothing & Textile Workers, also calls for the destruction of another OSHA booklet, titled Cotton Dust Standard: Management's Role, and a related poster carrying the message, "Cotton Dust Can Destroy Your Lungs."

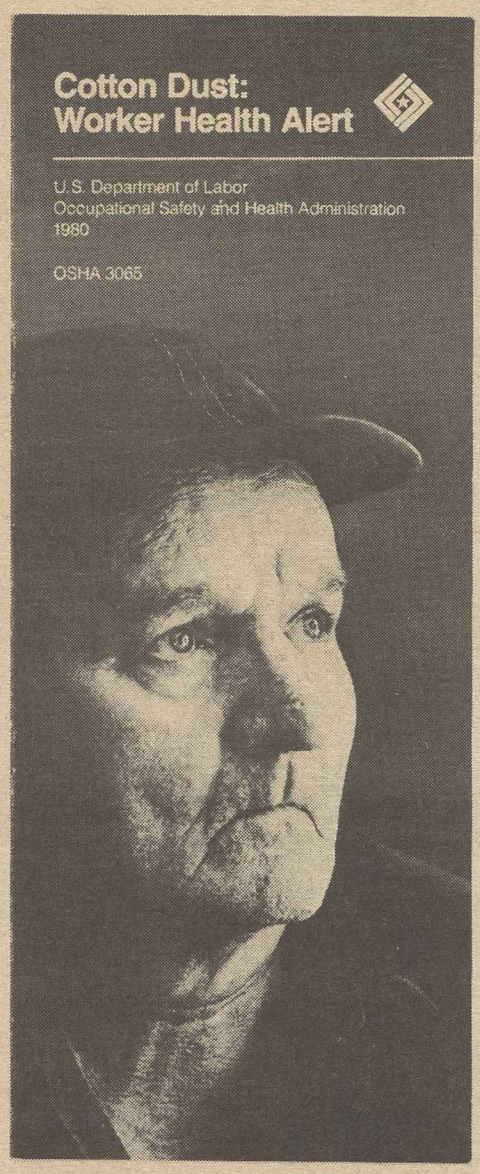
The publications were issued last year by the then OSHA chief, Assistant Labor Sec. Eula Bingham.

Sol Stetin, senior executive vice president of ACTWU, accused Auchter of undermining OSHA's responsibility of protecting workers.

IN A STRONGLY worded letter to Auchter, Stetin said, "Your order to not only withdraw these publications but also to destroy them, was both grossly imprudent and wasteful of government funds, and a callous disregard of your responsibility to educate workers about the hazards of cotton dust."

Several other worker education materials have been recalled under Auchter's order. They include three films on the history of OSHA, workplace hazards, and worker rights under the federal job safety law. Also banned are two slide presentations dealing with the hazards of cotton dust and acrylonitrile, a carcinogen, that were developed to meet the training requirements of OSHA standards.

Copies of the banned visual aid materials are available through the AFL-CIO Dept. of Occupational Safety & Health.



CHARGING that this cover photo was slanted against employers, Assistant Labor Sec. Thorne G. Auchter ordered the recall and destruction of some 100,000 OSHA booklets on cotton dust hazards.

Performers Ask Budget Reprieve For Aid to Arts

New York—The Actors & Artistes—the federation of AFL-CIO performer unions—appealed to Congress to save arts and humanities programs that would be crippled by President Reagan's proposed budget.

The organization cited a proposed 50-percent cut in the budgets of the National Endowment for the Arts and the National Endowment for the Humanities as "completely out of line."

It protested that a suggested cut of 25 percent for the Corporation for Public Broadcasting will force the system to become "almost entirely dependent on commercial interests and, contrary to the congressional mandate, create little more than an echo of commercial networks.'"

It also urged continued funding through the Labor Dept.'s Employment & Training Administration for job development programs of the Labor Institute for Human Enrichment.

Cuts Would Scuttle Aid

Congress Urged to Keep Trade Act Benefits Intact

(Continued from Page 1)

have to exhaust their state unemployment insurance benefits before qualifying for additional weeks of payment at the same weekly benefit rate they had been getting under unemployment insurance—and subject to the same requirements the administration is seeking to impose that recipients take minimum wage jobs if available.

TOTAL BENEFITS, including state payments and retraining programs, could not continue beyond 52 weeks.

Further, the Administration has also proposed toughening the eligibility criteria so that fewer workers would be certified as meeting the test of import-related unemployment.

Koplan noted that by the Administration's own estimate, its proposals would result in dropping the average payment for each worker covered by trade adjustment assistance from $6,400 to $1,800.

WHILE THE Administration has said it will support some training and relocation assistance for workers forced into unemployment by imports, Koplan said retraining holds limited potential if the jobs are not available. Just recently, he reminded the subcommittee, some 5,000 unemployed workers in Toledo, Ohio, "lined up for 16 hours for 90 jobs in an auto battery plant."

Wilbur Daniels, executive vice president of the Ladies' Garment Workers, said the proposed cutbacks in trade adjustment assistance would also "make more difficult" development and acceptance of government policies to promote international trade. "They would break the long-established covenant between the government and worker and industries adversely affected by imports."

DANIELS referred to the trade adjustment aid as "a social contract" and noted that it was first adopted as part of the Trade Expansion Act of 1962. He quoted from a congressional committee report accompanying that legislation, declaring that "the special nature of employment disruption resulting from changes in trade policy necessitates a level of worker protection somewhat beyond what is available through regular state unemployment insurance programs."

Steelworkers Legislative Director John J. Sheehan told the Ways & Means panel that the solution to high costs of trade adjustment assistance is growth in the job market.

The program, he pointed out, is "compensation for injury" to workers whose jobs in effect have been sacrificed as part of overall trade policy.

Sheehan noted that the program is scheduled to come up for review and reauthorization next year, and questioned why Congress should be considering "a de facto termination of the program" at this time.

Leonard R. Page, associate general counsel of the Auto Workers, sharply protested the Administration assumption that laid off workers are "abusing" the program by collecting benefits instead of looking for new jobs. A survey by the Michigan Employment Security Commission last year showed 78 percent of eligible workers interested in training programs and more than one-third willing to relocate to take a job, he noted.

Cutting the adjustment program would breach the "covenant this country made with labor" in the 1962 Trade Act, Page charged.

"We have had over 19 years of steady decrease in tariffs and duties, matched by increases in imports," he said. Now the Administration is proposing "to withhold labor's payment on that contract."

Kirkland Scores Attempt to Block Cotton Dust Rule

(Continued from Page 1)

the use of respirators and eventually through the installation of engineering controls.

The regulation limits worker exposure over an eight-hour workday to 200 micrograms of respirable cotton dust per cubic meter of air in yarn manufacturing, 500 micrograms in textile production and 750 micrograms in slashing and weaving.

ACTWU President Murray H. Finley said he was saddened by the Labor Dept.'s "action to weaken the OSHA standard," terming it vital to the health of more than a half-million textile workers.

"OF ALL THE measures the new Administration could take to improve the economy," he observed, it has "sought one which will bring untold suffering to many."

"The answer to our nation's problems is not to place a monetary value on human life, nor is it to keep hundreds of thousands of workers in daily risk of losing their health," Finley stressed.

He pointed that "even the textile industry admits that it can meet the standard in most affected areas."

According to an industry survey, about 75 percent of the spinning operations already are at or below the 200-microgram exposure limit and 88 percent of weaving operations are at or below the 750-microgram level.

EVEN SO, the American Textile Manufacturers Institute and the National Cotton Council continued to challenge the OSHA standard. After the industry's challenge was rejected by a federal appeals court last year, it appealled to the Supreme Court.

The AFL-CIO, IUD and ACTWU intervened on the side of OSHA before the Supreme Court. In delivering oral arguments for the labor groups, on Jan. 21, Atty. George H. Cohen stressed that the federal job safety law clearly specifies that OSHA is required to implement the most effective regulations. Cohen also maintained that in enacting the 1970 law, Congress did not intend to compromise the health protections of workers with cost-benefit assessments.

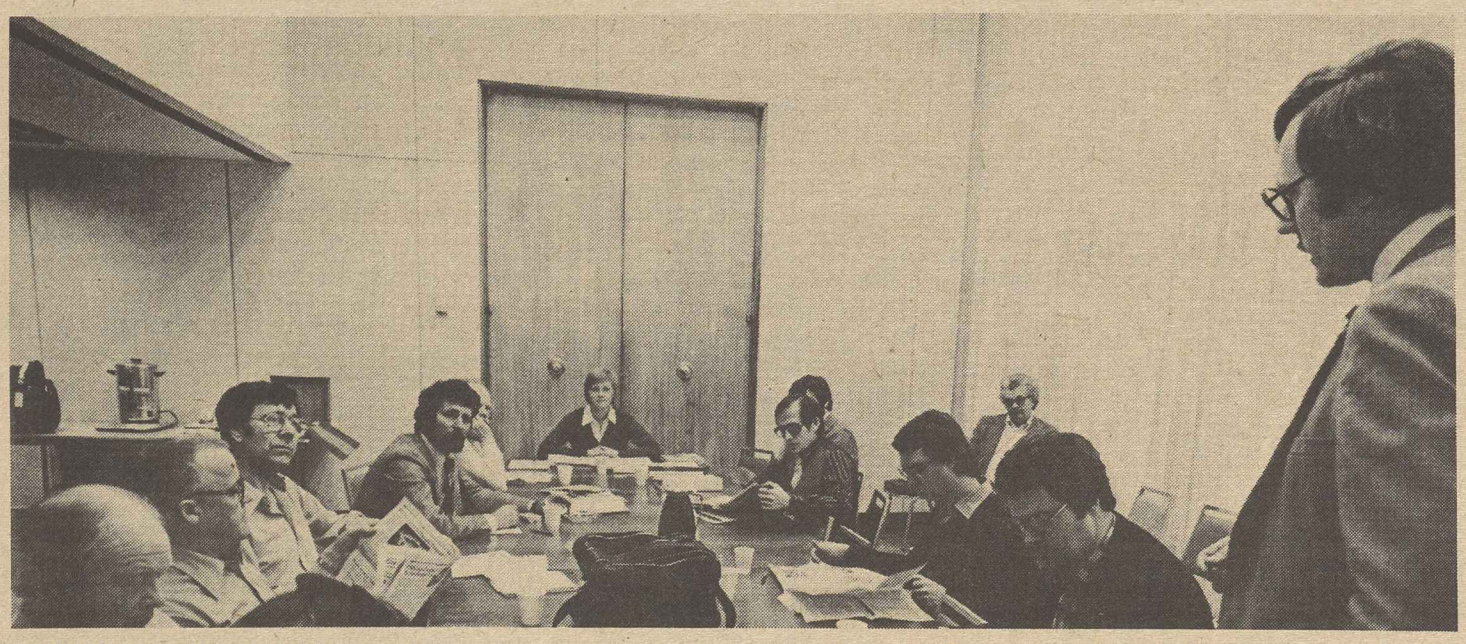
Industry contends that to fully meet the standards' provisions it will cost employers five times more than the $550 million estimate OSHA issued in an earlier economic impact study.

CONVENTIONS

The Iron Workers' 1981 convention in Miami will be held Aug. 10-14 rather than Aug. 24-28 as previously listed.

The Carpenters' 1981 convention in Chicago will open Sept. 4 rather than Aug. 10 as previously listed.

The Maryland-D.C. AFL-CIO will hold its 1981 convention Aug. 30-Sept. 4 at Baltimore.



ROLE OF THE LABOR PRESS in the American trade union movement is discussed by Jeffrey Miller, editor of the CWA News, with a delegation of eight Swedish labor editors at a Washington seminar arranged by the International Labor Press Association. The visiting editors, representing unions from Sweden's blue-collar and white-collar labor federations, examined policies and techniques with a cross section of U.S. labor editors.

At Legislative Conference

Building Trades Spur Grass-Roots Campaign

The AFL-CIO Building & Construction Trades Dept. is counting on more than 4,000 local leaders who came to its legislative conference to build back-home support for labor's program and help persuade Congress that the election returns were not a mandate "to repeal economic justice."

BCTD President Robert A. Georgine stressed in his keynote speech that labor's willingness to cooperate wherever possible with a new Administration does not mean acquiescence in "right-wing dreams of dismantling all the progress of generations past."

MOST OF the Capitol Hill visits were cancelled by the termination of the conference after the shooting of President Reagan. The gunman fired at the President just outside the hotel where Reagan had addressed the building trades conference—his first speech to a union group since taking office.

But a key goal of this legislative conference was to involve local leaders even more than previously in an issue-oriented grass-roots program.

A booklet on grass-roots lobbying given to every delegate stressed the large number of recently elected representatives and senators from marginal districts, who are "especially attuned to constituency pressures that may affect their re-election."

THEY HAVE been hearing from business and conservative groups. They should also be hearing "directly from union members," the brochure suggested.

Other material given to the delegates dealt with issues of special concern to building trades unions—from attacks on the Davis-Bacon Act to the impact of budget slashes.

Georgine's keynote speech stressed the commitment of the building crafts to labor's broad concerns and identified the chief foes as "narrow idealogues" who make up "the anti-union chorus."

"WE REJECT their belief that productivity depends more on wealthy investors than on skillful laborers," he said.

The building trades will be "constructive" in their criticisms when they can't go along with the Administration, Georgine promised. But the unions will insist that sacrifices demanded of workers must also be required of "the owners of capital," he declared.

Georgine said a prosperous economy also needs a sound transportation system, clean cities and better neighborhoods. "We will oppose the gutting of programs that do the vital work of building the country and improving our society," he said.

LABOR WANTS President Reagan's programs to succeed, he declared, but "we will not rubber-stamp cuts in school lunches while tobacco subsidies go virtually untouched" or "cuts in unemployment compensation and trade adjustment assistance while corporations get tax breaks to export jobs overseas."

Further, he urged, "tax cutting, like budget cutting, has to be fair." The building trades will work with the rest of the AFL-CIO "for a better, more equitable tax cut" than the Administration has proposed, Georgine said.

"The New Right does not speak for our workers," he declared.



LABOR'S STRATEGIES to repel budgetary assaults on vital social and worker programs by the Administration and in Congress were the focus of attention at the Machinists' four-day legislative conference in Washington. In keynoting the conference that drew more than 500 delegates, IAM President William W. Winpisinger disclosed plans for several pilot projects aimed at spurring grass-roots political education and action programs.

Delegate's Tackle Aids In Capture of Gunman

A 68-year-old carpenter from Cleveland, Alfred Antonucci, was among the first witnesses to the shooting of President Reagan to tackle the suspected assailant.

Antonucci, president and business agent of Carpenters Local 1715, was in the crowd waiting to greet the President as he left the hotel where the building trades legislative conference was held.

The gunman was nearby and Antonucci joined Secret Service agents and police who leaped on him when the shots were heard. Friends in Cleveland recognized him in television pictures and the Cleveland Plain Dealer confirmed his role in helping to subdue the assailant. Also joining the pileup was Frank J. McNamara, 62, of Parma, Ohio, president of Millwrights Local 1871.

But the stress took its toll. A few hours later, Antonucci was hospitalized after suffering chest pains and several days after the episode was still under care in the coronary unit at Georgetown University Hospital.

Reagan's Budget Cutbacks Upheld in Key Senate Votes

(Continued from Page 1)

mit states to raise the state trigger above present requirements.

Especially damaging to the concept of unemployment insurance is a related proposal to require workers jobless for 13 weeks to take any available job that pays an amount equal to unemployment benefits as long as it is not less than the minimum wage.

THE BUDGET reconciliation measure would not produce any "savings" until fiscal 1983 since states would have to be given time to change their laws to comply with the harsher federal standards. But a motion by Sen. Donald W. Riegle, Jr. (D-Mich.) to delete those instructions was quashed, 60-38.

The power of the conservative coalition was clearly demonstrated in the defeat of an effort by a group of moderate Republicans to mitigate some of the most severe cuts in social programs.

Sen. John Chafee (R-R.I.) carried with him 10 other Republican senators on an amendment to restore $973 million that had been cut from programs of education aid, fuel assistance for the poor, weatherization, urban development grants, mental health and mass transit, among others.

EVEN IF the amendment had been adopted, the budget cuts mandated by the Senate would have remained close to what the Administration proposed.

But 16 Democrats swung over to vote against the amendment, and it was defeated on a 59-40 vote.

The Senate action is the first big step in the complex budget-setting process, and many of the battles will be refought in the House and in subsequent Senate votes.

The vehicle for the Senate Republican strategy to win quick achievement of the Reagan Administration program was a bill designed to reconcile spending for the balance of this fiscal year with budget goals.

THE SENATE then included in the bill instructions to legislative committees to make changes designed to achieve specified savings in spending levels for both Fiscal 1982 and Fiscal 1983. The committees are directed to complete their assignments by May 31, and their actions will then be presented to the Senate as part of an omnibus "reconciliation bill."

The House, meanwhile, is moving on a somewhat slower schedule with its version of budget reconciliation, and eventually the two measures will have to be meshed in a House-Senate conference. But the Administration and its spokesmen in Congress are counting on the speedy and one-sided action by the Senate for the momentum to put the President's program through virtually intact.

FINAL PASSAGE by the Senate of the reconciliation instructions to committees was expected momentarily as the AFL-CIO News went to press. But other budget issues will continue to occupy the Senate in the next few weeks.

The Senate Budget Committee is still in the process of putting together a formal resolution setting government spending ceilings for the fiscal year starting Oct. 1, 1981. That resolution will also include revenue estimates based in part on projected changes in tax laws.

Outrage Swells at Assassination Attempt

(Continued from Page 1)

The President received respectful attention from an audience that had come to Washington to lobby against many of the policies and program cuts advocated by his Administration. And there was warm applause for his tribute to the courage of Poland's workers and his insistence that this country must be "strong enough to remain free."

BACKSTAGE, White House Press Sec. James S. Brady listened to the audience reaction and made notes on his copy of the President's text.

Reagan had just left the hotel and was entering his limousine when the shots rang out.

When the delegates convened the next morning, the president of the building trades department, Robert A. Georgine, somberly asked their attention.

He spoke of the horror they all felt—deeper and more painful, perhaps, because of their proximity to the event.

AFTER THE group had joined in the prayer offered by the Rev. Joseph Donahue, the department's long-time chaplain, Georgine relayed the decision that had been concurred in by the presidents of the 15 affiliated unions, to adjourn the formal proceedings of the conference. "It is simply not appropriate that we continue," he said.

The building trades leaders made it clear that they remained committed to a program that in some areas puts them firmly opposed to Administration policies, and to the protection of labor laws and standards that have been special targets of Reagan's right-wing supporters.

But they also made clear, before the President's speech as well as in its aftermath, their readiness to cooperate with the Administration in areas of common purpose.

AT THE OPENING session of the conference, Labor Sec. Raymond J. Donovan spoke from the vantage point of a contractor who had negotiated with the building trades and knew their industry first hand.

Donovan stressed common goals, such as "full employment through economic growth," reiterated the Administration's insistence on reducing what he called "seemingly attractive programs that are not cost effective," and asked that he and the Administration be judged on "results" that are achieved.

Neither Donovan nor Reagan, however, sought to gloss over the policy differences between labor and the Administration.

Reagan insisted that the first priority is to curb government spending and that Congress must enact his entire economic program.

"If only part of the package is passed by the Congress, we will only ease some of our problems, and that is no solution at all," Reagan said.

THE NATION'S "economic mess" came about "because our leaders have forgotten that we built this great nation on rewarding the work ethic instead of punishing it," the President insisted.

The cancelled days of the conference were to have included workshops on political, legislative, organizing, energy, pension and legal issues as well as talks by congressional leaders of both parties and an address by AFL-CIO President Lane Kirkland. Former Labor Sec. Ray Marshall was a schedulled participant in a panel on the Davis-Bacon Act.

Coyle Succeeds Poole at UFCW

Miami—Stephen Coyle was elected executive vice president of the Food & Commercial Workers at the union's executive board meeting here. Coyle, a UFCW vice president, has been director of the union's food processing division.

He succeeds Harry R. Poole who is retiring after 46 years of service to the labor movement during which he held a number of key offices. Poole became executive vice president of the UFCW in 1979 when the union was formed by the merger of the Meat Cutters and Retail Clerks. He had been president of the Meat Cutters since 1976.

Coyle, a vice president of the Meat Cutters before the merger, became active in the labor movement as a member of the Fur & Leather Workers. He held major local and national offices with the union prior to its merger with the Meat Cutters in the 1950s.

Also announcing their retirement at the meeting were UFCW Vice Presidents Fred Clavio, Sr., Ken Edwards and Rudy Krickan.

Ed T. Hardy resigned as a vice president to become collective bargaining representative for the union's northwest division.

With Fairness and Equity

THE AFL-CIO supports the proposition that inflation must be reduced; the number of jobs increased and the unemployed put back to work; that productivity must be improved, industrial strength restored, and federal programs made more effective and efficient.

America needs policies, including an industrial policy, that meet the nation's needs with fairness and equity.

During the Seventies, the American economy experienced extended periods of high unemployment, massive layoffs, and plant closings. The growth of the economy slowed, inflation increased, and our balance of payments worsened. These events would have been bad enough if they had been purely cyclical in nature, with the economy rebounding after a downturn.

Underlying these setbacks, however, was a much more serious and enduring problem: the industrial base of the American economy was in fact eroding.

The American share of the world market for manufactured goods declined 23 percent, and our share of our own domestic market also declined. As a result of this deindustrialization, at least 2 million industrial jobs have been lost. There has been no coherent national policy to reverse this ominous trend.

Now, in the Eighties, the need to reindustrialize the American economy has become widely acknowledged. There are, however, distinctly different concepts about how to do it.

ONE APPROACH that is receiving almost faddish attention emphasizes removing the allegedly excessive burden that government places on the private sector. Its adherents call for general business-tax cuts and a reduced role for government in the economy. In other words, we should return to a more laissez-faire environment for business.

Industries and regions that are experiencing economic difficulties would be left to sink or swim, their fate supposedly determined by the benign invisible hand of the competitive market.

This approach ignores the radical departure from the ideal competitive market that has taken place in the real world. Decisions of large firms to relocate abroad can have disastrous effects upon domestic industries and communities. Moreover, domestic firms increasingly face competition from foreign producers that are heavily subsidized by their governments.

WE JUST DON'T believe that you can write off major industries in this country without paying for it dearly in the future. Nor do we believe that whole cities and regions can be allowed to decay, without serious social and economic consequences.

It's the height of arrogance to talk in abstract, theoretical terms about letting certain industries disappear and then putting everyone else to work making micro-chips.

We feel it's important that America remain a diversified industrial nation, not one that just depends upon one or two industries or upon a so-called "service economy." I do not believe that our standard of living will be or can be improved if we allow basic industries to erode, nor would the world be better off if each country simply specialized in the production of one kind of product. No other country has accepted that idea.

—AFL-CIO President Lane Kirkland at the Wharton School, University of Pennsylvania, Mar. 23, 1981.

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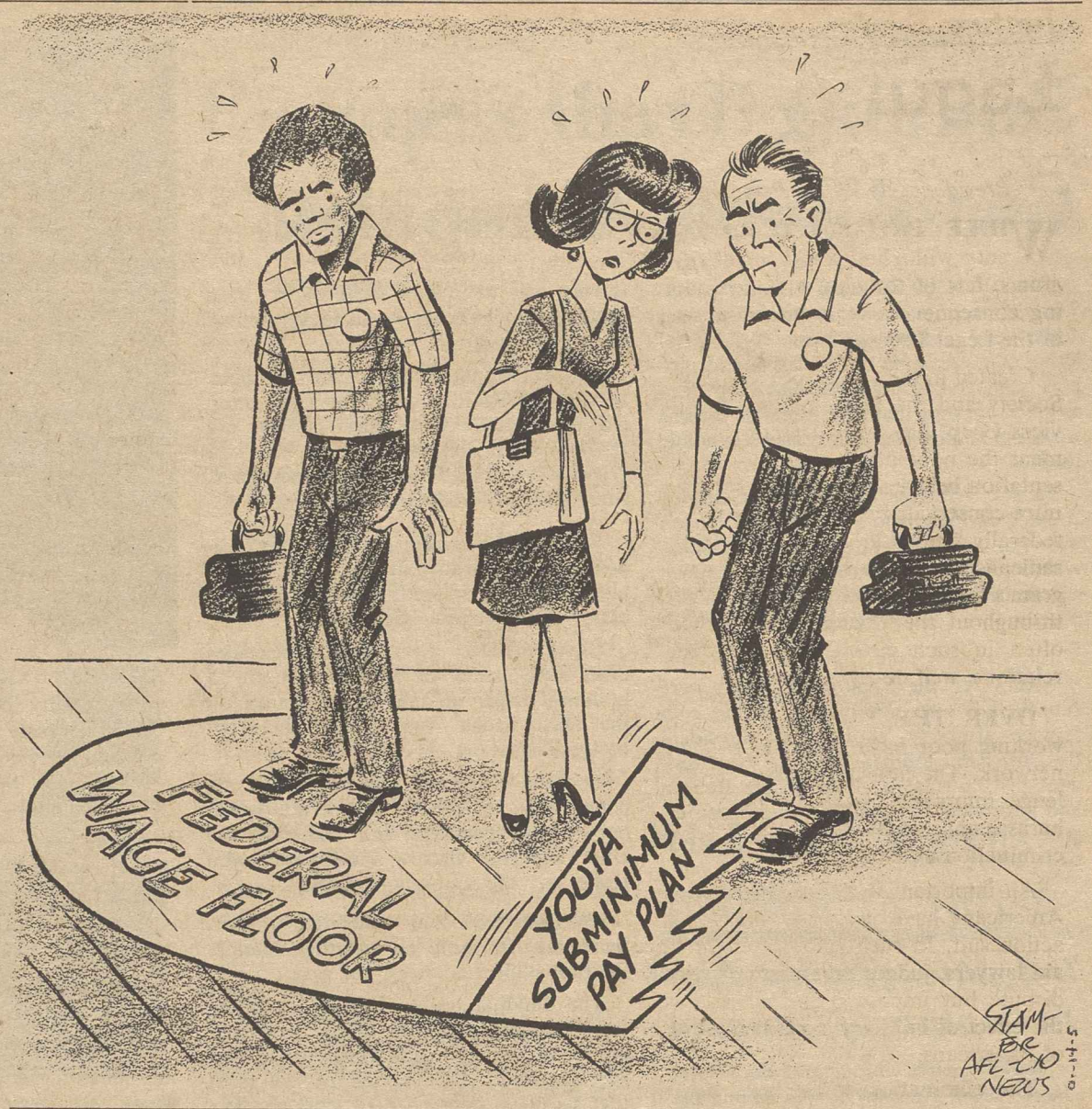
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Legislature Sticks Consumers

Delaware Law Writes Banks Blank Check on Interest Rates

By Gus Tyler

TWO PRESTIGIOUS New York banks—Chase Manhattan and J. P. Morgan & Co.—decided to cross to Delaware, not to liberate but to impose new burdens on the already overburdened American. The Delaware deal involved skillful planning.

Over a period of six months, the best brains that these banks could buy were at work devising a new law under which banks could operate their credit card schemes. Finally, they came up with a devilish device.

THE BANKS COULD charge without legal ceilings; they could jack up the rates retroactively; they could charge some folk one rate and other folk another; they could impose any fee they wished for the privilege of using credit cards; and they could foreclose on a house for failure to pay up when debts on cards fell due.

Dreaming up this banker's dream probably came easily. But how to get a state—any state—to write such usurious practices into law was probably more difficult, especially if the banks are located in a state like New York where the legislature is in nobody's back pocket and where the citizenry knows how to scream.

So the bankers crossed to Delaware, where Pierre S. duPont IV is the government and where E. I. duPont de Nemours & Co. is the economy. In a brief three hours, the necessary bill went scooting through the legislature, although the New York Times reports, "many legislators say they did not read the 61-page bill before agreeing to sponsor it and did not understand the complicated measure before voting on it."

WITH THIS LAW as a lure, Gov. duPont began a cross-country sales tour to induce banks to come to Delaware, a state with a "hospitable climate" for banks.

So far, not one bank has moved to Delaware. But many banks are telling their state governments that unless they are as generous to the banks as Delaware is, the banks will pack up and leave for a cozier clime. In other words, New York, New Jersey, Pennsylvania, and every other state that puts some restraints on banks issuing credit cards must do like the bankers want—or else.

If a state wants to impose restraints, wants to protect the consumer, it will have a hard time doing the right thing. It may lose big banks. In short, the meanest set the measure for proper conduct.

This little story is almost a classic model of what happens when we "leave it to the states." First, there are no federal standards, no floor to decency, no norm below which no one may sink. Second, each state is free to cut the throat of a neighboring state.

MORE IMPORTANT, business people with large operations can play one state off against another. They get Delaware to act, then they use Delaware as a club over the head of New York et al, then they finally get everything their own way.

Leaving it to the states means, too often, leaving it to the richest to run the whole country.

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Budget Cuts No Cure For Trade Problems

The way to solve the budget problem is not to deny workers payments the law entitles them to receive.

Administration proposals that amount to a termination of trade adjustment assistance would deny to American workers hurt by imports the benefits to which the Trade Act of 1974 entitled them.

The Administration is not claiming that conditions have changed. It merely decided to cut the $1.5 billion estimated by the Carter Administration to $350 million, and then proposed radical legislative surgery to accomplish that objective.

The Administration proposals are not based on the assertion that fewer workers will be adversely affected by imports than estimated. It proposes only that fewer workers will be paid and the payments will be lower.

Imports are continuing to rise, particularly from low-wage countries. We believe that the program should be continued and that the Administration's proposals should be rejected because they effectively end the program.

—From AFL-CIO testimony before a House Ways & Means subcommittee, Mar. 31, 1981.

Justice System on Trial

Legal Aid for Poor at Stake

By Norman Hill
President, A. Philip Randolph Institute

WHILE PRESIDENT REAGAN'S budget cuts will eliminate a number of vital programs, few of the cuts will have more far-reaching consequences than the proposed elimination of the Legal Service Corp.

Created in the 1960s in the context of the Great Society and the War on Poverty, the Legal Services Corp. has been the most significant instrument the poor possess to insure adequate representation before the courts. A number of Reagan's ultra-conservative advisers have suggested that the federally funded legal aid program is a hotbed of radicalism and leftist politics. In truth, the program's 6,000 lawyers who serve 330 communities throughout the United States are involved most often in such critical issues as landlord-tenant relations, welfare rights, and civil rights.

OVER THE YEARS millions of poor and working poor have benefited from this legal aid network. The poor have used the system to challenge improper dismissals from work, landlord harassment and building code violations, and discrimination in employment.

An important instrument by which millions of Americans have indirectly benefited is the class action suit. In such suits, often brought by legal aid lawyers, judges do not simply resolve a single dispute but impose remedial orders which have the effect of improving the lives of large numbers of Americans.

The elimination of the legal aid program will result in fewer such suits being brought to the courts and in fewer direct benefits to workers.

In the distant past, lawsuits were relatively straightforward matters and the legal system was turned to only as a matter of last resort. Today, with the increased complexity of government regulations and laws, access to informed legal advice and legal aid is an absolute necessity.

THE LEGAL AID program has intervened in behalf of unemployed workers denied welfare benefits, illegitimate children, and social security recipients who couldn't get cases reopened for government hearings. This list of issues hardly suggests that legal aid programs are being run by ultra-leftist extremists. Rather it suggests that the legal aid system is truly defending the interests of the poor.

Our system has prided itself on its basis in equal protection under the law. The unfortunate consequence of Reagan's proposed elimination of the Legal Services Corp. is that it will make the courts accessible only to those who are well off. Putting the poor outside the law will lead to greater bitterness and alienation.

Conservatives have claimed that well-intentioned programs designed to deal with poverty have often resulted in consequences more harmful than the benefits that have been provided.

What we will learn from the Reagan era is that the elimination of certain government programs may have consequences which are in the long-run more costly and damaging than the immediate budgetary savings that they bring.

Return to Welfare

Budgeted Shortcut to Poverty

SUPPOSE THE government cuts funds for day care programs. This is a reasonable supposition since many social programs of this kind, which provide help to the next-to-poor, or the poor-plus-one, are on the Administration's budget-cutting list. What will happen to the federal budget in consequence? Will it decrease by the amount of the program cut?

No—more likely, it will increase. This is because those women whose children were previously cared for by day care programs will give up their low-paying jobs and go back on welfare, rejoining the ranks of the "truly needy" whom the President has pledged to protect. This, in turn, will drive up costs not only for the basic welfare program—Aid to Families with Dependent Children (AFDC)—but also for food stamps, Medicaid and low-income energy assistance.

THE POINT IS that it is remarkably and temptingly easy to fool yourself about budget savings. Some kinds of short-term savings quickly bound back as long-term costs in other parts of federal, state or local budgets. Job, training, compensatory education, family planning and child care programs have helped many people to get out or stay out of poverty. That's why they were set up in the first place.

But many of these immigrants from poverty remain precariously placed at the borderline of that subsistence level of living that officialdom has characterized as "truly poor." Cut child care and the working mother is likely to be pushed back onto welfare. Cut jobs and training and chances increase that not only adults but also their children, another generation of poor, will end up on the list of the chronically dependent.

REPATRIATING PEOPLE back into the land of officially designated poverty would be monstrous social and economic policy. Being officially poor means having income less than the government's "poverty line," a measure originally developed by multiplying the cost of a just-above-starvation diet by three.

No one thinks this definition is a model of conceptual perfection, but all you really need to know about it is that the level of living it provides is, by the standards of modern American life, wretched. And yet not a single state has a family welfare benefit that, combined with food stamps, reaches even this ungenerous standard. Some states have combined benefits less than half that amount.

So in your attempts to think rationally and fairly about the continuing budget cuts, tuck this away as another principle: cutting back on aid to the less needy may sound efficient and relatively costless and, in some cases, it might be. But it isn't necessarily the case. A small investment in the poor-plus-one population can help keep the ranks of the "truly needy"—and the taxpayer burden of supporting them and their children—from growing now and in the future.

—Excerpted from an editorial in the Washington Post published Feb. 13, 1981.

30,000 Jobs Affected

Rail Service Under Budget Ax

PROPOSED transportation budget cuts would end railroad passenger and freight service in much of the country and substantially boost fares and rates where service continues, President Fred J. Kroll of the Railway & Airline Clerks warned.

Kroll said that Amtrak cutbacks "would virtually destroy the passenger system in the United States." He said as many as 30,000 railroad jobs would be wiped out if Congress approves the substantial reductions of Amtrak and Conrail appropriations urged by the Administration.

Questioned by reporters on the network radio interview Labor News Conference, the AFL-CIO vice president said the cutbacks of rail passenger service would hit low-income Americans particularly hard, pointing out that they are heavy users of the system.

Kroll said Conrail's report to Congress also urges wage restrictions and "government oversight" of collective bargaining that would cause severe harm to labor-management relations.

HE SAID THE proposal that Conrail employees "get no wage increases until lower-paid clerical people in geographical sectors catch up" could leave BRAC members "sitting for ten years without a raise."

Kroll predicted that negotiations for new contracts with Amtrak and Conrail, which started a few weeks ago, will be "the most difficult we've had in half a century."

Washington Window

By Press Associates, Inc.

LEGISLATION TO establish a subminimum wage for teenagers was given a public airing by the Senate Labor subcommittee chaired by Don Nickles, a newly elected Republican conservative.

Nickles, a businessman from Oklahoma, has introduced a bill which would altogether eliminate minimum wage protection for workers under 18.

Another bill introduced by Labor Committee Chairman Orrin G. Hatch (R-Utah) would allow employers to pay workers under 20 years old 25 percent less than the minimum wage for up to six months. A third bill would cut the wage floor for teenagers by 15 percent.

Nickles and Hatch have labeled their proposals "Youth Opportunity" bills which, they contend, could alleviate the problem of youth unemployment, especially among minority teenagers.

Teenage unemployment, the Labor Dept. has reported, stood at 19.3 percent in February, with black teenage joblessness at 35.5 percent. Similarly high jobless rates have persisted among youth for several years.

AT THE HEARINGS in late March, Hatch called the teenage jobless situation "a cancer" and "a new form of slavery." He noted that jobless youth often turn to crime.

But despite the uncharacteristically strong language about the plight of jobless youth, Hatch and other subminimum wage proponents admit they don't know "whether it will work or not," as Hatch put it, to make a significant dent in the problem.

The subcommittee heard testimony from impartial experts that a youth wage differential would have only a marginal effect on teenage unemployment. Also, it was predicted that any jobs would more likely go to suburban white teenagers rather than to the hard-core unemployed youths in the inner city.

Moreover, labor officials testified that there would be displacement of adult workers by teenagers hired at the lower wage. It was pointed out that nearly 70 percent of those working at the minimum wage levels are adults, many with families to support. Of these adults, some 70 percent are women.

Thus, one group of workers would be pitted against another. Rather than creating employment, unemployment would be redistributed.

Rather than talking about a subminimum wage as a way to lessen youth unemployment, labor and civil rights representatives urged the Senate panel to focus on programs to train and employ jobless young people. The same Republican senators calling loudly for a youth wage are stalwarts for the Administration's budget-cutting drive, including cutbacks in youth jobs programs.

Government economic policies geared toward full employment would be the best overall approach to youth joblessness, which is especially sensitive to changes in the economy, the labor leaders told Congress.

SOME BUSINESS GROUPS which have lobbied in the past for a two-tier wage declined to testify at the hearings. It was said that the businessmen feared that legislation to amend the Fair Labor Standards Act will open up the question of raising the minimum wage.

Indeed, the labor officials told the Senators that Congress should consider raising the inflation-shrunken wage floor and indexing it to the cost of living.

It was noted that the minimum wage, to have maintained the same buying power of the $1.40 minimum in 1967, should now be $3.75 an hour. On Jan. 1, the floor went to $3.35 an hour and will remain there unless Congress acts.

Instead of going with the current game plan of placing the burden of a lagging economy on those who can least afford to bear it, Congress should provide for a living wage for millions of "working poor" Americans.



DEEP BUDGET CUTS proposed by the Reagan Administration threaten needed railroad services and 30,000 related jobs, President Fred J. Kroll, center, of the Railway & Airline Clerks warned. He was questioned on Labor News Conference by Lee Coney, left, of the Daily Labor Report and Drew Von Bergen of United Press International. The program, produced by the AFL-CIO as a public service, is aired weekly on Mutual radio.



TOP OFFICIALS of the Leadership Conference on Civil Rights welcome Ralph Neas, second from left, as the organization's first full-time executive director. Neas takes over many of the functions that Marvin Caplan, legislative director of the AFL-CIO Industrial Union Dept., handled for 17 years as executive assistant. From left are Bayard Rustin, chairman of the organization's executive committee; Neas; Clarence Mitchell, conference chairman, and former Sen. Edward W. Brooke, executive committee member.

Blaming the Victims

Food Stamp Cut Viewed As Rip in 'Safety Net'

Food stamps are a major line of defense against hunger for the jobless, the poor and the elderly living on welfare budgets, and gains made in the program should be preserved, the AFL-CIO told the Senate Agriculture Committee.

Legislative Rep. Kenneth Peterson tied the growth in the program to the lack of growth in the economy and to mounting state and local budget problems.

EVERY ONE PERCENT of unemployment increases food stamp participation by 1 to 1.2 million persons, Peterson said, pointing out that "more and more states are decreasing their welfare payments to the poor and forcing the food stamp program to take up the slack."

The AFL-CIO opposes cuts in the program sought by the Administration, Peterson said. He noted that the present Food Stamp Act is the result of "intensive efforts" over the past four years to make benefits more accessible to the needy and streamline administrative procedures.

Peterson questioned Administration claims that large cuts in aid, which provides about 44 cents a meal for food, would still provide a "safety net for the truly needy."

ALL RECIPIENTS of food stamps are poor, Peterson emphasized. Some 87 percent have gross incomes below the official poverty line, he said, adding that "those with incomes above the poverty line have numbers of dependents and excessive shelter and other expenses which bring their net incomes below the poverty level."

Peterson criticized the proposed "retrospective accounting" method of determining eligibility for food stamps, which would base eligibility for aid on a period of past income rather than current need.

It would penalize workers recently laid off or who have run out of unemployment benefits who would have to "suffer a period of several weeks with no income" before being eligible for food stamps to feed their families, Peterson pointed out.

MIGRANT WORKERS and others with low, fluctuating incomes would be hurt by this system, Peterson said, pointing out that it could be used to deny food stamps to strikers who, although they account for only two-tenths of 1 percent of food stamp recipients, are repeatedly singled out for attack.

Another proposal, which would force food stamp families to mail in monthly income statements or lose benefits, could create "serious hardship" for the elderly, the disabled and others, Peterson said. And he branded as unjust the Administration proposal to drop inflation-fueled shelter and energy adjustments from eligibility formulas.

The plan to reduce food stamp benefits for families with children enrolled in school lunch programs would cut benefits to about 43 percent of recipients, Peterson told the committee. He voiced labor's opposition at the same time to an Administration proposal to cut some $1 billion from the child nutrition and school lunch program itself.

STRESSING THAT the needy are victims of a poor economy, not the cause of it, he scored Administration plans to slash cost-of-living adjustments for food stamp benefits and pointed out that the proposal to cut off all households from food stamp programs whose incomes exceed $11,000 a year after July 1 would "hit hardest at those people who are trying to work their way out of dependency on public programs."

The AFL-CIO believes that energy directed at slashing the food stamp program would be better used for programs to reduce the number of poor who need them, Peterson said.

The needy "have the most to lose as they wait on the Administration's untested economic theory to provide jobs," he observed.

AIW Brewery Local Wins Role In Governing Pension Funds

Frankenmuth, Mich.—Members of Allied Industrial Workers Local 812 will have a voice in the investment of their pension funds as the local won agreement on joint administration of the plan at the G. Heileman Brewing Co. plant here.

While joint labor-management policy decisions on multi-employer plans are not uncommon, such a system is relatively rare in single-employer programs.

THE HEILEMAN plan provides for a joint administrative committee composed of members appointed separately by the union and the company, with each side casting one aggregate vote. In the case of a deadlock, a neutral third-party arbitration procedure may be invoked.

"The exciting part of this particular program is that we were able to negotiate a joint administrative committee with overall authority and responsibility for the operation of the plan," AIW President Dominic D'Ambrosio said. "This will include making the basic decisions with regards to the funding agent and the philosophy as to how the assets are to be invested. The committee will also hear and make all decisions on claim disputes."

While the pact provides for joint control of the basic investment and benefit decisions, the company retains the right to select and supervise the actuary, the master trustee, and the plan administrator who maintains the records. However, it is the joint administrative committee which will decide on the investment managers and give investment instructions to these managers.

"WHEN WE first put this proposal on the table, the company went into a whole song-and-dance about fiduciary responsibility like it was some sort of deadly disease," AIW Assistant Research Director Jeff MacDonald recalled.

"But our local bargaining committee understood that this is simply the kind of responsibility you'd want anyone to accept who has authority over someone else's money. It's very much of a common-sense thing, not something only experts and lawyers can comprehend," he said.

MacDonald indicated that the union would offer an education and training program for its new pension trustees.

ANOTHER AIW unit, Local 806 at the Caterpillar Tractor Co. in Milwaukee, recently negotiated a joint board for the administration of a newly created supplemental employment benefit program. Three union and three company representatives will make up the board, which will be responsible for determining the eligibility of workers for benefits and the level of benefits for which they qualify.

The Caterpillar board will not have any investment authority, although the negotiated agreement specifies the types of investments permissible. A third-party chairman may be appointed to resolve disputed issues.

Mine Workers Reject Pact by 2-to-1 Margin

Members of the unaffiliated Mine Workers voted down a tentative three-year agreement with the soft-coal industry, pushing their strike against the operators into its second week.

The union said that members voted against the pact's ratification by a margin of more than 2 to 1. While the contract won approval in some small UMW units, it was defeated in the larger membership districts of Ohio, Pennsylvania, and West Virginia.

Reached on Mar. 23, the proposed contract with the Bituminous Coal Operators' Association would have replaced the miners' old pact that expired on Mar. 27.

Cleveland Adopts Strict Law Regulating Company Guards

Cleveland—Tough legislation to curb excesses of private plant security guards, prompted by labor's complaints about the killing of a union picket, has been passed by the Cleveland City Council.

Councilman Michael R. White, a Democrat, called the new ordinance one of the "most stringent laws regulating security guards on strike premises."

THE LEGISLATION, which has been amended four times since White, at the urging of the Cleveland AFL-CIO, introduced it about 27 months ago, requires armed security guards tto be licensed by the city and bonded to at least $5,000.

Private security firms must have comprehensive liability insurance and must purchase a $150 license from the city.

Labor and community pressure for the ordinance came after the shooting of Thomas Moss, Jr., a welder and member of Upholsterers Local 48, by a Chicago security guard. Moss was killed while on picket duty at the struck Bargar Metal Fabricating Co. in January 1978. Cleveland unions raised $20,000 for his survivors.

Local union officials had attended more than 10 hearings on the new city law offering testimony.

"It was a long hard struggle but justice prevailed," said Sebastian Lupica, executive secretary of the Cleveland AFL-CIO. "All of labor worked hard for passage and Councilman White never gave up."

"NOT ONLY should union members be safer during strikes from the actions of irresponsible security guards because the ordinance should help weed out most of the bad ones, but the general public will benefit," said Martin J. Hughes, president of the central labor body.

Hughes said another important provision is that security guards working labor disputes are prohibited from leaving their firms with a weapon.

The law also prohibits a security guard working a labor dispute from discharging a weapon except to protect his life or the life of another person.

In life-threatening situations, police must be called, the ordinance specifies. Violators will be subject to damages determined by a court.

All security guards will be required to carry city-issued identification cards with photographs and may not carry weapons more powerful than a .38-caliber pistol.

Unions Cover 61% of Federal Workforce

More than three out of five federal employees were represented by unions last year, excluding the solidly organized U.S. Postal Service which once represented the bulk of organized public sector workers.

The government's Office of Personnel Management reported that 1,250,000 non-postal federal employees are in bargaining units, and 1,167,265 of them are protected by negotiated agreements. The union-represented group is up 4,000 from the previous year and the number covered by contract is 18,443 higher.

ON A PERCENTAGE basis, 61 percent of the federal workforce is represented by unions.

There are also 586,100 postal workers represented by unions, 88 percent of total postal employment.

In all these percentage figures, supervisory and management-level employees are considered as part of the workforce. The percentage of the workforce represented by unions would be higher if persons not eligible for bargaining units were excluded.

While there are more white-collar salaried employees than hourly-paid blue-collar workers in federal bargaining units, 86 percent of the blue-collar workers are represented by unions compared with 54 percent of white-collar workers.

THE AMERICAN Federation of Government Employees, representing 509,500 salaried employees and 186,460 blue-collar employees, bargains for the largest group of federal workers. Others with substantial bargaining units are the Metal Trades Councils and the Machinists, among AFL-CIO affiliates, and the unaffiliated National Federation of Federal Employees, Treasury Employees Union and National Association of Government Employees.

There are no union security provisions in contracts covering federal workers so that, especially in the non-postal fields, large numbers of workers vote for union representation but do not belong to the unions that bargain for them.

While union representation figures were little changed over the year, OPM reported a decline in bargaining units as the result of major consolidations of units in the Veterans Administration and the General Services Administration. The average bargaining unit size, 474 last year, is 42 percent higher than five years ago.

Labor Press Wins Postal Discount Rate

The AFL-CIO International Labor Press Association won a major victory for all non-profit publications when the Postal Rate Commission agreed to provide the same special discounts available to regular rate publications.

The decision, upheld by the governors of the U.S. Postal Service, came after a four-year fight by ILPA to win discounts for pre-sorting mail to Postal Service specifications. The discounts reflect savings to USPS from having mailers perform these tasks in their own mailrooms.

ALTHOUGH THE rate commission had agreed with ILPA in two earlier rate cases that non-profit mailers should be entitled to the discounts for pre-sorting to various zip code and carrier route levels, the most recent case, decided Feb. 19, was the first time the commission actually set the discounts in the rate structure.

ILPA Sec.-Treas. Susan Dunlop, in a statement outlining the discounts, pointed out that while only larger publications would be in a position to take advantage of the more sophisticated carrier route sorting, labor papers that sort only to the zip code level will realize total savings of more than $1 million in 1981 compared with the previous rate structure. Most labor publications already sort at this level, Dunlop pointed out, and the cost factor of adjusting to the new sorting requirements is negligible.

By 1987, Dunlop noted the savings from zip code sorting could amount to nearly $2 million per year in postal costs for the labor press.

SHE WARNED, however, that the victory would be curtailed if the Administration's budget cut proposals for the Postal Service are adopted.

The cuts would eliminate almost immediately the phasing of a long-term series of rate increases for non-profit publications. Both second and third class non-profit postal rates would virtually double on Oct. 1, 1981, and the effect of the newly won discounts would be lessened, Dunlop said.

Economic Index In 3-Month Drop

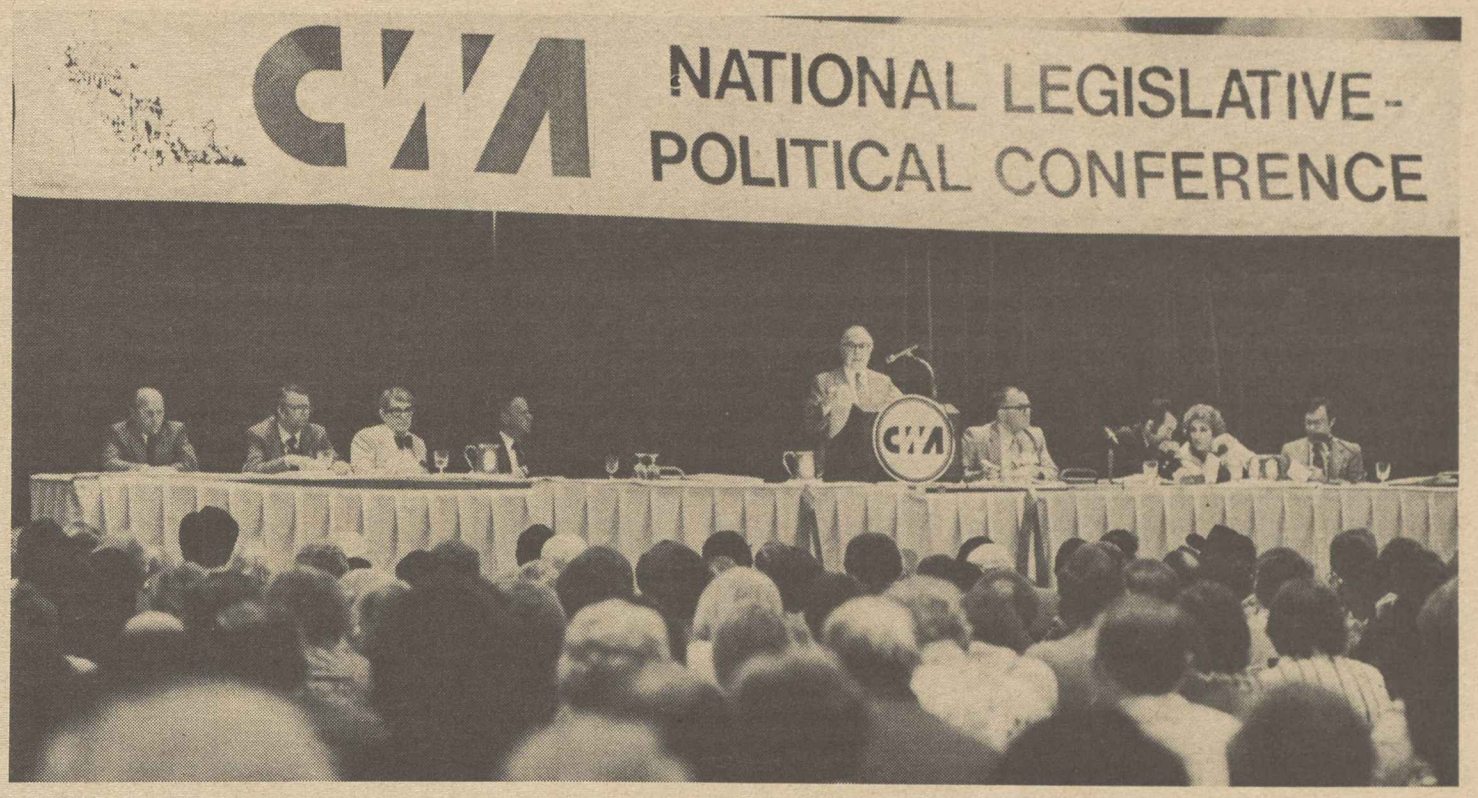
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for the country this year. A forecast last month anticipated that "real" gross national product — the inflation-adjusted value of all goods and services produced in the country — would rise only about 1.1 percent this year, following last year's decline of two-tenths of 1 percent.

Six of the 10 indicators available for the Commerce Dept. report on economic trends contributed to last month's decline in the index, with the sharpest drop coming in the length of the average factory workweek. This was estimated at 39.8 hours, down from 40.4 hours in January.

Other signs of economic weakness involved the layoff rate, contracts and orders for plant and equipment, building permits, stock prices, and money supply.

The four indicators reflecting strength were the percentage of companies reporting slower deliveries from suppliers, new orders for consumer and manufacturing goods, producer prices, and the change in liquid assets.



BUDGET ILLS should be cured by job-creating programs, not funding cuts that add to unemployment, Communication Workers President Glenn Watts told delegates to the union's legislative conference. Afternoons during the three-day meeting were spent in visits to legislators on Capitol Hill urging preservation of vital social and jobs programs.

N.Y. Sweatshops Targeted for Wage Abuses

The Labor Dept. has ordered a special strike force into New York City's garment district as part of a nationwide crackdown on violations of federal minimum wage, overtime, and child labor laws.

Citing increasing reports of an upsurge in violations of the wage laws and a return of "sweatshops" to the New York area, Labor Sec. Raymond J. Donovan pledged "to use my full legal authority" to protect workers from exploitation and uphold the Fair Labor Standards Act. The act requires employers to pay a minimum of $3.35 an hour and also to pay overtime for work in excess of 40 hours a week.

THE LABOR DEPT. began using strike forces in February 1979 in New York's Chinatown district. The enforcement team's efforts there resulted in over 100 court injunctions against minimum wage and overtime violators.

The strike force concept involves focusing a team of experienced compliance officers in geographic areas or industries where workplace abuses are believed to be widespread.

In fiscal year 1980, the Wage & Hour Division of the Labor Dept.'s Employment Standards Administration, which administers the Fair Labor Standards Act, conducted more than 1,600 strike force investigations. About $4.7 million in wage underpayments was found owed to low-income workers. Over $2 million has already been refunded to workers, and the department is suing to recover the balance.

DONOVAN SAID that while reports of abuses are widespread, they are often difficult to document.

"Our compliance officers can and do find substandard working conditions. They also find undocumented workers who fear deportation, and therefore do not file complaints. Records are often not kept. Hours worked are falsified. Social security numbers are not listed. Home addresses are not maintained. Time cards are inaccurately punched. Workers are often paid 'off the books,'" he said.

CWA Legislative Sessions Score Budget-Cutting Fever

Job-creating programs would do more to balance the federal budget than slashing spending for social programs and thereby adding to the unemployment rolls, Communications Workers President Glenn Watts told the union's national legislative conference.

Emphasis at the Washington meeting was on political and legislative action to deal with the new political climate in Congress and the White House.

WATTS TOLD the 1,000 delegates that the Administration's budget-cutting economic package is "cold, insensitive and impersonal."

"It doesn't take an economist," he observed, "to conclude that the Reagan plan will require the greatest sacrifices from those least able to make them."

With each afternoon of the Washington conference set aside for personal calls on senators and representatives, Watts urged the delegates to make the budget issue the "top priority" on visits to Capitol Hill. He warned that congressional rubber-stamping of the Administration's proposals could result in "the worst assault on the nation's poor and needy, its minorities, and even its middle class," since the Depression.

Watts questioned whether budget cuts of "essential social programs that will weaken the economy, increase unemployment by up to a million jobs and cause individual hardships" could actually cure budget deficits. Eliminating job programs will increase unemployment, he pointed out, terming such proposals "a strange way to foster economic recovery."

He called for adoption of labor's alternative program stressing job creation and full employment as antidoes to the nation's economic ills.

KENNETH YOUNG, executive assistant to AFL-CIO President Lane Kirkland, told the CWA delegates they were in the forefront of "people coming to the nation's capital to make it clear that American workers strongly oppose wiping out more than 40 years of social progress."

Labor rejects the view "that the new Administration came to this city with a mandate to take from the workers and give to the wealthy," Young said.

He called the Administration's endorsement of so-called supply-side economics a gamble with the economy which would "pour benefits on the wealthy" in the hope that "eventually some will spill over to those most in need."

Tax breaks for corporations, he said, should be targeted to the Administration's own definition of "the truly needy" to help damaged industries and areas of high unemployment rather than already thriving industries.

Donovan Pressed on Policy For Migrants, Job Programs

AFL-CIO President Lane Kirkland called on Labor Sec. Raymond J. Donovan to clarify Administration policy on immigration and on funding of manpower programs.

In a letter to Donovan, Kirkland cited reports that the Administration's Interagency Task Force on Immigration Policy will shortly recommended the adoption of "some sort of 'bracero' or 'guestworker' programs."

ANY SUCH recommendation is "contrary to the interests of U.S. workers and will exacerbate unemployment and undermine the already low level of wages" in industries likely to employ imported workers, Kirkland said.

"We will oppose any program which would have such results, and I would ask that you exercise your full authority to prevent this injury to American workers," he added.

Uncertainty caused by the absence of firm Administration policy on the implementation of budget cuts affecting a number of national manpower programs is causing "difficulties and hardship" for hundreds of workers who conduct the programs and tens of thousands enroll in them, Kirkland said.

Although Labor Dept. contracts covering some 30 national contracting agencies, including the AFL-CIO's Human Resources Development Institute, were to expire on Mar. 31, Kirkland said in his letter of Mar. 26, the situation is confused by conflicting "rumors of one-month extensions, phasing down, phasing out, etc."

THE AFL-CIO and its affiliated unions involved in these programs "feel a heavy responsibility" to all persons involved in them, Kirkland said.

"It is impossible to continue to hold these organizations together, to maintain trained staffs, to plan for the future or to reassure present enrollees, without clarification of future policy from the Labor Dept.," Kirkland concluded. "I urge you to consider this matter and to provide the clearest possible information about these programs, their contracts and their future as promptly as possible."

Three Summer Schools Set for Union Women

The AFL-CIO Dept. of Education and the Coalition of Labor Union Women will co-sponsor three regional schools for union women this summer in cooperation with the Task Force on Education for Union Women of the University & College Labor Education Association.

Each five-day school will include workshops on grievance handling, public speaking, newsletter publication, assertiveness training, organizing and legislative and political issues of importance to labor. The schools are open to all union women, and teaching staff will come from university labor education departments, the AFL-CIO and unions.

The Northeast and Mid-Atlantic school will be held July 19-24 at the University of Maine, Orono. The Midwest school will be held July 26-31 at Macalester College, St. Paul, Minn., and the Southern school will meet Aug. 9-14 at Unicoi Resort, Helen, Ga. Information on applications and tuition is available from state federation officers in each region or from the AFL-CIO Dept. of Education.

As Conversions Surge

Curb on Abuses Urged In 'Condo' Takeovers

The increase in rental property conversion to high-priced condominium and cooperative apartments at a time when housing generally is in short supply is creating hardships for many Americans, the AFL-CIO warned Congress.

"Measures must be adopted to combat the inequity and social stress, as well as the inflationary impact, of unrestrained conversion of rental properties," Henry B. Schechter, director of the federation's Office of Housing & Monetary Policy, said in testimony submitted to a House Government Operations subcommittee.

IN VIEW of tight rental markets and the accelerating trend toward conversions, he said Congress should consider several steps, including:

- Expanded authority for federally assisted, newly constructed rental housing to enlarge the available supply for low- and middle-income Americans, "rather than the drastic reductions being proposed by the Reagan Administration."
- The exercise of selective credit regulation under the 1968 Credit Control Act to halt the financing of condominium conversions until the housing supply has expanded to adequate levels so that conversions will not add to inflation.
- A study to determine whether more definite guidelines are needed on condominium conversions and whether to provide for federal intervention if appropriate state or local measures are not adopted.

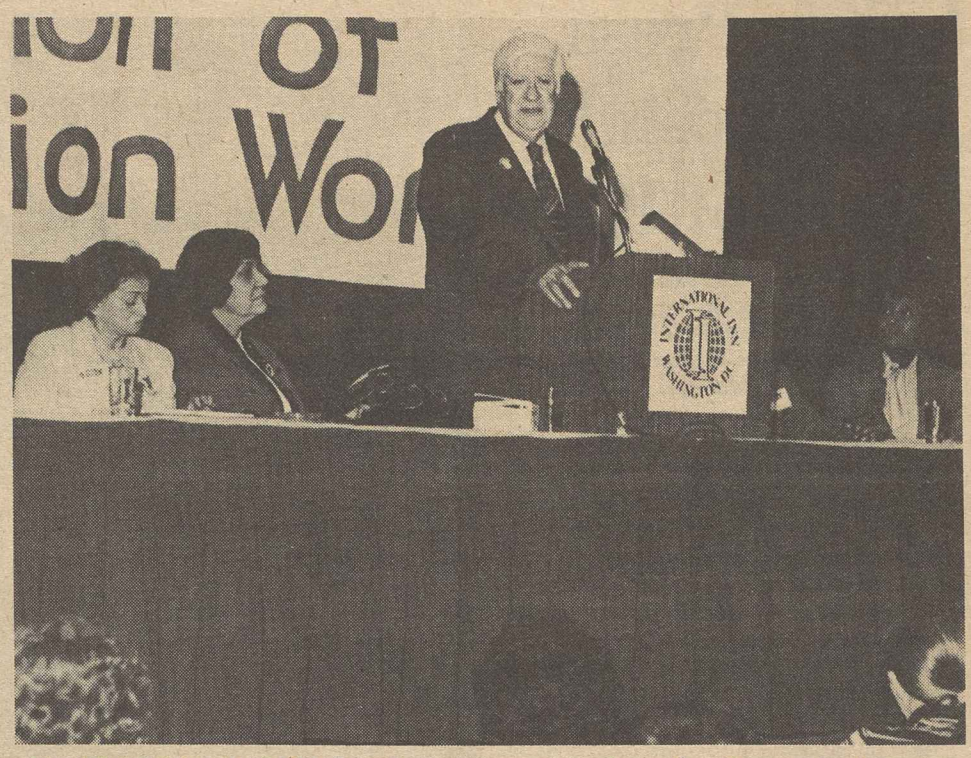
A RECENT Housing & Urban Development Dept. study showed that by late 1979 and in the first half of 1980, between 20 and 30 percent of new apartment units being completed, or about 100,000 a year, were condominiums or cooperatives, Schechter observed. But the rate of condominium creation through conversion of existing rental apartment buildings has been overtaking new construction of such units, he added.

The highest incidence of conversions in the country has occurred in the metropolitan Washington, D.C., area, Schechter noted. A study by the area's Council of Governments showed that 15,102 condominiums were added there in the year ended last July 1. Of these, 79 percent, or 11,922, were rental units that had been converted.

THE CONVERSIONS work their greatest hardships on the previous tenants. On the average, about 60 percent of the pre-conversion tenants move rather than buy or remain as tenants, Schechter pointed out. A HUD survey showed that close to half of the former renters who did not purchase said they could not afford to do so.

A high proportion of the non-purchasing movers were in the low-income group, were elderly or were families with three or more persons that generally need three or more bedrooms.

For the owner of a rental housing property in a tight market, an opportunity to sell to a converter is often quite advantageous, especially if the property is at an age when major repairs or equipment replacements are needed, Schechter noted. For the converters, there is an opportunity to realize fat profits. The result is not only added inflation, but further housing shortages.



CONCERNED RESPONSE of workers opposed to the Reagan budget can shrink congressional support for the proposed cuts, House Speaker Thomas P. O'Neill tells the national legislative conference of the Coalition of Labor Union Women in Washington. With O'Neill are, from left, Evelyn Dubrow, vice president of the Ladies' Garment Workers; CLUW President Joyce Miller, a vice president of the Clothing & Textile Workers and of the AFL-CIO, and Clara Day, Teamsters representative.

O'Neill Cites Impact of Mail In Shifting Mood of Congress

Americans who oppose the Reagan budget cuts should write their legislators now to ask their support in fighting the cuts, House Speaker Thomas P. O'Neill urged the national legislative conference of the Coalition of Labor Union Women.

The Massachusetts Democrat told the 500 CLUW delegates that "members of Congress tend to follow the mood of the public, and for the moment they think that mood is a mandate to cut, cut, cut."

LEGISLATORS will be responsive to a shift in perception about what their constituents actually want because "they are concerned about the economy at home, they are concerned about the people at home, and they are concerned about the next election," O'Neill said.

He pointed to his own experience with what he called "a coming change" in the public attitude in defense of health, education and jobs programs. O'Neill told the conference that his own mail started out 100-to-1 in favor of the Administration's program, then dropped to 10-to-1 and is now running about 3-to-2 in favor.

CLUW President Joyce Miller, an AFL-CIO vice president and a vice president of the Clothing & Textile Workers, said the conference theme, "Strategies for the '80s," was chosen to highlight the need for working women and other Americans "to join hands with those who share our concerns and prepare for positive action to counter the threats to workers, men and women alike" posed by the Reagan Administration's budget-cutting proposals.

THE NEED to preserve social programs in the budget is important to working women, Miller stressed, because they stand "to be hit the hardest and for the longest time if we fail to win this fight."

The national policies and programs of concern to working women and others took many years to win and must not be allowed to be washed away now, Miller told the delegates who spent one afternoon of the conference in visits to members of Congress to seek support of budget positions.

Miller agreed that all Americans must "pitch in" to fight economic problems, stressing that "the trade union women of this nation will work in our unions and with other groups to assure that the burden of sacrifice is borne equally. And that means not 'pitching out' equal employment opportunity laws, sabotaging the minimum wage or denying legal sanctions for health and safety on the job."

THE VALUE and technique of building coalitions to achieve legislative goals was also discussed by Rep. Margaret Heckler (R-Mass.), who heads the Congressional women's caucus; Rep. Robert Garcia (D-N.Y.), chairman of the Hispanic caucus; and Del. Walter Fauntroy (D-D.C.), chairman of the black caucus.

Other speakers included Eleanor Smeal, president of the National Organization for Women; Dorothy Height, president of the National Council of Negro Women; Msgr. Francis J. Lally, secretary of the U.S. Catholic Conference's Dept. of Social Development and World Peace; Carl Green, networks director of the Congressional Black Caucus; Barbara Wertheimer, associate professor at the New York School of Industrial & Labor Relations; and Oscar Sanchez, secretary-treasurer of the Labor Council for Latin American Advancement.

Budget Cuts Seen Destroying Incentives of Working Poor

The combined effect of Reagan Administration cutbacks in federal aid programs would reduce the income of the working poor and leave them little better off than those on welfare, thus destroying the incentive to work, according to the University of Chicago Center for the Study of Welfare Policy.

The center studied the impact of proposed reductions on working and non-working poor families in 10 states.

AFTER CONSIDERING the impact in Aid to Families with Dependent Children (AFDC), food stamps, Medicaid, public housing and emergency fuel assistance and job programs, the center concluded:

"Taken alone, each cut seems to be small enough to allow a recipient to absorb it with other income. Taken together, the effects of the cuts are great enough that many families will be unable to meet their monthly living expenses."

The Reagan Administration has held that the cuts will hurt low-income workers only modestly and, rather than reducing the incentive to work, will encourage the working poor to work harder to make up the difference. This is a departure from the policy of a previous Administrations and Congress to build work incentives into the welfare system by supplementing the income of low-paid, poverty-level workers in order to increase differences in disposable income between earners and non-earners.

THE CENTER'S comparisons between the monthly disposable incomes of low-paid working families and families who rely totally on public assistance were done using only the proposed changes in AFDC and food stamps.

Changes in these programs proposed by the Administration include: no longer allowing deductions for work-related expenses such as transportation, social security taxes and child care in calculating AFDC eligibility; counting the earned-income tax credit for workers earning less than $10,000 as part of income; and deducting free school lunches from food stamp allotments.

In some states, the proposed budget reductions would make the differences in disposable income between earners and non-earners almost negligible, according to the center's calculations. For example, based on average monthly income of a mother with two children, the difference between earners and non-earners would be reduced from $64 under the current system to no difference under the proposed changes. In Utah, the difference would be reduced from $116 to $8. In New York, the difference would drop from $162 to $15.

CONGRESS MUST find "less onerous ways of reducing federal spending," the study concluded, "without abandoning the commitments to economic and social justice which our nation has made."

The non-partisan center is directed by Thomas C. W. Joe, a former welfare official in the Nixon Administration. Joe was the principal author of the new study, which is intended to provide background material for considering the proposed changes in legislation made by the Reagan Administration.

4/4/81

Correspondence about address corrections should be sent with attached mailing label to: Subscriptions, Room 209, 815 16th Street, N.W., Washington, D.C. 20006.

Government Poverty Line Rises to $8,450 for Family

The federal government has boosted its official poverty-level guideline for family income by $1,000 to $8,450, the Labor Dept. reported.

The guideline, which is used by numerous federal agencies to determine income eligibility for programs that assist the poor, reflects increases in consumer prices over the past year. The change became effective on Mar. 11.

Under the new guideline, an urban family of four living in the continental United States is considered below the poverty level if its income totals $8,450 a year or less.

A "single-person" family would be considered poor under the revised guidelines if income were below $3,680. That ceiling is $430 higher than a year earlier.

The eligibility requirements for most programs under the Comprehensive Education & Training Act include the definition of "economically disadvantaged" person, which is based in part on the poverty-level guideline.

OSHA Retreat on Hazards Hit

AFL-CIO News

LABOR'S CENTENNIAL AFL-CIO 1881-1981

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FLIGHT ATTENDANTS picket and leaflet Washington National Airport to ask the traveling public to support their Campaign for Air Passenger Safety. The union is opposing a Federal Aviation Administration plan for a rule change that would reduce the number of attendants required on commercial flights. **(Story, Page 3.)**

Identification Of Chemicals Called Vital

The Reagan Administration showed pro-industry bias and a lack of concern for workers by scuttling an OSHA proposal to require identification of chemical hazards in workplaces, the AFL-CIO charged at House hearings.

Workers have a "right-to-know" about the health risks they may encounter on the job, AFL-CIO Legislative Director Ray Denison insisted.

THE HEARINGS, by an Education & Labor subcommittee, concern withdrawal of a hazard identification regulation that had been proposed by the Occupational Safety & Health Administration last January and the cancellation of hearings at which interested parties were to have commented on the proposal.

Labor Sec. Raymond J. Donovan announced withdrawal of the OSHA proposal immediately after he took office, dismissing it as a "midnight regulation" of the outgoing Carter Administration.

Denison, joined by AFL-CIO Safety Director George H. R. Taylor and Margaret Seminario, industrial hygienist for the federation, sharply disputed that view.

Lack of knowledge about chemical ingredients and hazards has caused "disease, injury and death," he said.

The OSHA proposal, which was more limited than labor had urged, was the outgrowth of years of discussions and negotiations dating back to the Ford Administration, Denison noted.

IT WAS abruptly withdrawn, he stressed, "before hearing from the labor movement . . . before an Assistant Secretary of Labor for OSHA had been nominated, and with no review of the proposed regulation or consultation with OSHA staff familiar with the rule or its history."

The department's action was politically motivated, Denison charged.

Denison noted that less than a week before the withdrawal of the hazard identification proposal, the Chemical Manufacturers Association had written to top Administration officials, as well as to Donovan, to protest that the hazard disclosure requirement would be costly and burdensome.

The circumstances "suggest that political motivation was the sole basis for this

(Continued on Page 8)

Oil Decontrol Fuels New Rise In Energy Costs

Prospects for any near-term improvement in wholesale prices remained clouded as the Bureau of Labor Statistics reported a 1.3 percent rise in its producer price index for March, about half of it due to surging energy costs following President Reagan's decontrol of domestic petroleum prices.

Food prices also rose, turning up by eight-tenths of 1 percent after several months of stable or slightly falling prices.

FRESH AND dried vegetable prices soared 19.4 percent, and fish prices were up 4 percent over the month. Pork rose 2.6 percent, although beef, veal, and processed poultry continued to decline.

On the other hand, sugar prices plunged 15.3 percent, and prices for Florida oranges declined 10.7 percent following a 57 percent surge in February.

The major factor in pushing producer

(Continued on Page 3)

No All-Out Challenge

House Democrats Shape Milder Cuts in Budget

House Democrats prepared to challenge the details but not the thrust of the Reagan Administration's budget and tax proposals.

The showdowns will not come until early May, after Congress returns from a two-week Easter recess. But the Democratic alternatives are being put into final shape by the Budget Committee and the Ways & Means Committee, while the House Democratic Caucus has endeavored to build a party consensus around a statement of economic principles.

DEMOCRATS HOLD a 242-191 majority in the House. But the party leadership's strategy has been shaped with painful awareness that the 44-member Conservative Democratic Forum has already publicly embraced the President's program and may hold the balance of power in the House.

Budget Committee Chairman Jim Jones (D-Okla.) is hopeful of holding the bulk of Democratic conservatives for the package he has put together for a budget resolution setting both spending limits and revenue targets. Seventeen of the 18 committee Democrats agreed in caucus to support the proposal.

It would lessen the Administration's proposed cuts in a broad range of domestic programs—restoring about 25 percent of the Reagan reductions.

More than $1 billion would be added for Medicaid benefits through rejecting the Administration proposal to put a dollar ceiling on total outlays.

AN ADDITIONAL $2.8 billion would be allocated to a budget category that covers education, employment and social services.

Other additions to the Reagan budget would include funds for low-income fuel assistance, for aid to families with dependent children, and for legal aid to the poor. The minimum social security benefit would be gradually phased out, instead of abolished.

The military spending increase would be kept under the Administration budget through cutting back a military pay increase, but this aspect of the package was still being debated in committee.

DESPITE THE changes, the overall spending package was close enough to the President's proposals that Administration officials were relatively restrained in their criticism.

Treasury Sec. Donald T. Regan termed the Democratic package "well-intentioned," but he nevertheless insisted that Congress shouldn't tamper with the President's programs because of the November election "mandate."

Further, any budget adopted by the House will eventually have to be compromised with the Senate version. And the Republican-controlled Senate up to now has given the President everything he has sought.

(Continued on Page 8)

Budget, Tax Policies Seen Aggravating Economic Ills

The AFL-CIO accused the Reagan Administration of abusing the congressional budget process to force a rewriting of the nation's laws and protested that harsh spending cuts, inequitable tax policies and hasty deregulation will worsen problems they are supposed to solve.

Legislative Rep. Peggy Taylor presented the AFL-CIO's alternative economic proposals to the Senate Budget Committee which is working on a resolution setting spending and revenue targets for the 1982 fiscal year, which starts next October.

THE SENATE has already approved, by a lopsided 88-10 vote, a resolution instructing its committees to revise laws within their jurisdiction in order to achieve the spending reductions that would be required by the Administration budget. On all key votes, the Senate's Republican majority had substantial support from conservative Democrats.

Taylor challenged the "simplistic notion that all of the nation's problems would go away if our government would simply spend less, tax less and protect less."

Federal budget deficits didn't create the problems, she said, and budget slashes won't solve them.

Budgets should be based on "the nation's needs and circumstances," Taylor stressed. But the Reagan budget rests instead "on economic theories that have no foundation in fact or logic," she said.

It represents "a corruption of the budgetary process" that usurps the normal legislative function, Taylor charged.

She said the Reagan budget would compel "revisions in laws without the benefit of careful, prudent considerations" and require "short-circuiting" of the legislative process.

TAYLOR reiterated the AFL-CIO's proposal for a more equitable and less

(Continued on Page 7)

Tax-Free Bonds Termed Costly Treasury Drain

Tax-exempt industrial revenue bonds have been a windfall for companies that don't need a subsidy and a costly drain on federal revenues that can no longer be justified, the AFL-CIO testified.

A House Ways & Means subcommittee is looking into the program, and AFL-CIO Deputy Research Director Henry B. Schechter suggested that it be scrapped entirely.

INSTEAD, he urged, Congress should target business tax assistance "to the industries and areas where the needs are greatest" as part of an overall reindustrialization program.

Schechter noted that labor's criticisms of the "small-issue" industrial revenue bonds program has been documented in large part by a Congressional Budget Office study which pointed to windfalls from the program going "to firms that would have made the same investments without the tax benefits."

Enterprises financed through the tax-exempt bonds issued by state and local development agencies are supposed to serve a "public purpose." But Schechter

(Continued on Page 7)

'Hold It! He's Got the Right of Way!'



High Court Urged to Reject Delay on Cotton Dust Rule

The AFL-CIO has petitioned the Supreme Court to reject the Reagan Administration's request that the court shelve its review of the federal cotton dust standard.

The Clothing & Textile Workers and the Industrial Union Dept. joined in the petition opposing the government's attempt to short-circuit the high court's pending decision on the Occupational Safety & Health Administration regulation.

ASSISTANT LABOR Sec. Thorne G. Auchter, who heads OSHA, is seeking withdrawal of the 1978 cotton dust standard to conduct a so-called cost-benefit analysis in compliance with a Feb. 19 presidential directive.

In filing a memorandum with the court for the Labor Dept., the Solicitor General asked the justices to "refrain from further consideration of issues" involving the cotton dust standard which a federal appeals court upheld against an industry challenge last year.

The government also asked the justices to "vacate the judgment of the court of appeals" and remand the case back to the Labor Dept. "for further consideration and development."

WHEN THE case came before the Supreme Court, both the government's lawyers and union lawyers argued against the industry's contention that the standard should undergo a cost-benefit study. They pointed out that the very principle of cost-benefit analysis was inconsistent with the intent of the 1970 OSHA law to provide workers the safest possible workplace.

The part of the standard under challenge provides for installation of engineering controls to cut down excessive levels of dust that cotton and textile workers are exposed to on the job. Exposure to high levels of cotton dust can lead to brown lung, a disabling respiratory disease that can be fatal.

By filing the "supplemental memorandum" with the court, the Labor Dept. has walked away from the position it took earlier in its arguments before the justices.

THE QUESTION of law, the federation petition notes, is not one that depends on the view of any particular Administration.

"Rather, the question turns solely on the meaning of the Act and intent of the Congress that passed the Act," the petition states.

It points out that remanding the issue back to the Labor Dept. would not advance the resolution of the case and "could well lead to wasted administrative resources and . . . lengthy delays without serving the interests of any party."

Graphics, Historical Texts Salute Labor's Centennial

The AFL-CIO has produced a series of printed materials supporting activities related to the federation's centennial observance this year.

Prepared for use by affiliates, central bodies, local unions and individual union members, as well as by the news media, educators, and the interested public, the materials are now available in quantity, at reasonable prices, at AFL-CIO headquarters. They include:

A Short History of American Labor—A 36-page, full-color, strikingly illustrated booklet telling modern labor's story from the founding of the Federation of Organized Trades & Labor Unions in 1881 (from which the AFL emerged) through years of struggle and strife, setbacks and achievements, up to the point where organized labor today enters its second century as a central part of American democratic society.

A Short History of American Labor—The shorter, 16-page version condensing the materials in the full-color booklet, using many of the historic illustrations. Reprinted from the March 1981 issue of the American Federationist.

Centennial Poster—Four-color art combined with the famous words of Samuel Gompers on the question "What Does Labor Want?" this 17-by-28-inch poster also carries the centennial theme and the identifying logo created especially for labor's 100th birthday.

Bumper Sticker—The centennial bumper sticker—printed in red, white and blue—carries the logo and theme, "A Century of Achievement, A Challenge for the Future." Stickers are 4-by-15 inches and printed on pressure-sensitive stock that removes without tearing or splitting.

Other Federationist Reprints:

Samuel Gompers vs. Horatio Alger—Contrasting views by two famous Americans, who were contemporaries. The world of work and hardship in a hostile environment (as perceived through the eyes of labor's founder) and the pipe-dreams of penniless youths yearning to be millionaires with the aid of a little pluck and luck (as disseminated to millions by the popular writer) are outlined with scholarship and wit by labor historian Stuart B. Kaufman. From a paper delivered at an AFL-CIO centennial seminar at the George Meany Center for Labor Studies.

Labor's Centennial—1881-1981—An editorial by AFL-CIO President Lane Kirkland on the meaning and inspiration of the 100th anniversary of the founding of modern American labor.

William Green: Guardian of the Middle Years—One of a series of features on labor's leaders running in the American Federationist, this reprint brings back from labor's archives a famous speech delivered by Green at the 1943 AFL convention, in defense of the contributions and sacrifices of American workers to the war effort.

Order blanks and copies of all centennial material may be obtained from the AFL-CIO Pamphlet Division, 815 - 16th Street, N.W., Washington, D.C. 20006. Quantity rates are available on all items. The last three items listed are free in reasonable quantity.

'Guest Worker' Scheme Called Disaster

A task force of the labor-supported National Committee for Full Employment warned President Reagan that a new "guest worker" program between the United States and Mexico would be a "disaster" for both American and foreign workers.

"It makes no sense to bring additional workers to the United States at a time when there are 8 million unemployed U.S. residents" the NCFE's task force on immigration pointed out.

It also cited the defunct "bracero" program as an example of how foreign workers could be severely exploited by U.S. employers.

THE STATEMENT was released by the task force of labor, civil rights, Hispanic and religious representatives following a comment by President Reagan, made during an interview with CBS News, that he was "intrigued" by a foreign worker program proposed by several border state governors.

Reagan told television commentator Walter Cronkite that he intended to discuss a temporary worker visa program with Mexico's President Jose Lopez Portillo at meetings scheduled for late April.

"Let's not make the same mistake twice," the task force urged the President, pointing out that previous temporary worker programs have been "disasters."

THE GROUP, chaired by former Health, Education & Welfare Sec. Wilbur Cohen, pointed to the abuses of the bracero program which brought low-wage agricultural workers from Mexico into the United States from 1942 until its was scrubbed in 1965.

While the bracero program provided "a windfall in the form of cheap, docile labor to a tiny minority of the nation's farmers," the statement said, "it depressed wages and working conditions for competing U.S. workers, postponed the rationalization of the agricultural labor market, exploited the Mexican farmworkers and caused endless, needless grief in U.S.-Mexico relations."

THE TASK FORCE was formed by NCFF in December 1980 to develop a common immigration policy among the traditional coalition of labor, religious and civil rights groups.

Among its labor members are Howard Samuel, president of the AFL-CIO Industrial Union Dept.; Railway Clerks Vice President Jack Otero; Henry L. Lacayo, community action program director of the Auto Workers and national chairman of the Labor Council for Latin American Advancement; and Alfredo Montoya, LCLAA executive director. Former Labor Sec. Ray Marshall also serves on the board.

The task force statement chided the President for ignoring the recommendations of the final report released by the congressionally-mandated Select Commission on Immigration & Refugee Policy which opposed any increases in temporary worker programs.

Otero has served as a member of the commission, appointed by former President Jimmy Carter.

CITING THE problems experienced by European countries that have tried guest-worker programs, the task force emphasized that even if the new Administration devised "less exploitative programs than the old bracero operation," the evidence is that guest-worker programs "provide for less than equal rights" for the worker involved.

The Administration's recommendations on immigration policy are being prepared by its own task force headed by Atty. Gen. William French Smith with a report expected in early May.

Mexico has also voiced concern in international forums about exploitation of migrant workers.

The NCFE group also pointed out that it is unclear whether Mexico itself wants a temporary worker system which could lead to the migration of its own badly-needed skilled workers.

The NCFE, a coalition of labor, civil rights and religious organizations formed to promote full employment policies and opportunities, is co-chaired by Coretta Scott King and Clothing & Textile Workers President Murray H. Finley. Howard

Gen. Bradley Hailed as Humanitarian

General of the Army Omar Bradley, who died Apr. 8 at the age of 88, was "a great leader who earned the gratitude of his country," AFL-CIO President Lane Kirkland said.

Kirkland noted that Bradley "was the first person chosen to receive labor's highest humanitarian honor, the Murray-Green Award for community service."

After World War II, Bradley was named by President Truman to head the vastly-enlarged Veterans Administration, and labor honored him for his outstanding services to veterans.

Bradley's "quiet but brilliant leadership in World War II" marked him as one of the finest soldiers in American history, Kirkland said.

The general's military skill, Kirkland noted, "was matched by his innate hatred of the inhumanity of war and his personal concern for those who are sent to fight and die. Those who served under him and with him sensed those feelings and knew that he wore his nickname, 'the GI's General,' as proudly as he wore his five stars," Kirkland said.

Flight Crew Union Pushes Safety Issue

The Association of Flight Attendants is generating a strong campaign for support in its battle against a proposed Federal Aviation Administration rule change that would reduce the number of attendants required on commercial flights.

Under the proposal, published just before President Carter left office, only one flight attendant would be required for every 50 ticketed passengers. Current regulations require one attendant for every 50 seats on the aircraft. The rule change was originally suggested by the Air Transport Association, made up of the major commercial carriers.

AFA PRESIDENT Linda A. Puchala said in a statement that the proposal "is both dangerous and foolish," pointing out that flight attendants do more than serve drinks and meals.

"We are trained safety professionals who, in the event of an air crash, must be relied upon to evacuate an aircraft in a matter of seconds," Puchala said. "In order to accomplish this, we need an adequate, well-trained crew of professionals. Most people do not realize that we must deal with at least one emergency situation a month — emergencies that demand trained safety personnel.

"Because of our deep concern for the safety of the traveling public, we call upon the FAA to withdraw this proposed rule."

TO RALLY support among the flying public, the union conducted informational picketing at 20 major airports across the country on Apr. 4.

Two days later, at a hearing of a House Government Operations subcommittee chaired by Rep. John Burton (D-Calif.), a panel of flight attendants and Fire Fighters President John A. Gannon warned that the FAA plan risks passengers' lives.

In their testimony, the flight attendants cautioned that passengers need crew assistance in locating exits and safely evacuating a crashed aircraft. They stressed that the idea that flight attendants are merely ornamental must be dispelled.

Burton, whose subcommittee is examining the FAA proposal, said the agency should not move ahead with the idea until it has proof that passenger safety will not be adversely affected—sentiments shared by Chairman James King of the National Transportation Safety Board.

"THE BOARD is extremely concerned that passenger safety may be further compromised during emergency evacuation should large aircraft be permitted to operate with a reduced number of flight attendants when carrying a partial passenger load, even if the ratio of flight attendants to passengers is retained," King testified at the hearing.

Puchala urged the traveling public to protest the rule change proposal to their congressional representatives and the FAA. Comments on the proposal will be accepted by the FAA until Apr. 20.



DRIVE TO ORGANIZE California state university educators has the full support of the AFL-CIO, President Lane Kirkland declares at a press conference in San Francisco. The campaign has been launched by the 4,100-member United Professors of California, affiliated with the Teachers, which is seeking representation of more than 20,000 professors, lecturers, administrative and technical workers in the 19-campus state university and college system. With Kirkland and AFL-CIO Sec.-Treas. Thomas R. Donahue are California AFL-CIO Sec.-Treas. John F. Henning; UPC President Warren Kessler; Anne Peters, UPC vice president; and Jose Cuervo, UPC affirmative action chairman.

Oil Decontrol Fuels New Rise In Energy Costs

(Continued from Page 1)

prices to their highest level since last July, however, was jump in energy prices. BLS Commissioner Janet L. Norwood told the Congressional Joint Economic Committee that the energy price climb "reflected the impact of price deregulation of domestic crude oil as well as increases in the prices of petroleum."

The Organization of Petroleum Exporting Countries announced in December that it was raising its crude oil prices, and the latest round of passthrough prices continued into March.

ENERGY PRICES were up 6.1 percent over the month, with gasoline rising 7.5 percent, home heating oil 9 percent, and natural gas 1.3 percent higher than the previous month. The huge increases marked the fifth consecutive large monthly advance in finished energy prices.

The total March rise of 1.3 percent in the wholesale price index translates to 15.6-percent annual increases before compounding.

On a year-to-year basis, the producer price index was 10.5 percent above the March 1980 level. Last month's increases compared with rises of eight-tenths of 1 percent in February and nine-tenths of 1 percent in January.

BESIDES measuring the price of finished goods, BLS also measures the price of intermediate goods, such as sheet metal and fabrics used in the factory production of finished goods, and also the price of crude materials, such as iron scrap and raw cotton. Prices for intermediate goods rose 1.1 percent in March, while prices of crude goods fell by 1.3 percent.

Within the finished goods index, capital equipment prices went upon seven -tenths of 1 percent, slower than in recent months. Consumer durable goods such as cars increased by only one-tenth of 1 percent. Non-durables—luggage and small leather goods, for example—were up by 2.4 percent.

Kirkland Cites Budget Threat To College Education Hopes

San Francisco—The chances for children from middle- and low-income families to go to college will be blighted if the Administration's proposed budget cuts for higher education programs are adopted, AFL-CIO President Lane Kirkland warned.

Kirkland criticized the proposed cuts during a press conference here to declare the AFL-CIO's "full support" for the campaign of the United Professors of California to win the right to bargain for professionals in the state's 19-campus university and college system.

THE UPC, a coalition of local unions of the American Federation of Teachers on each campus, represents some 4,100 professors, lecturers and administrative and technical workers. A mail-ballot election expected sometime in 1981 under the supervision of the state's Public Employee Relations Board will determine representation for all 20,000 professional employees of the state's 300,000-student higher education system. The UPC is opposed by the Congress of Faculty Organizations, an affiliate of the National Education Association.

Kirkland stressed that the AFT unit, as part of the mainstream of the labor movement, would have the strength of organized labor behind it in the "hard times" that will result from the budget cuts as well as in their own efforts to restore the "purchasing power and status" of professors.

As many as 750,000 students could be pushed out of college and into a "forbidding" labor market, Kirkland warned, if the proposed reductions in direct and indirect aid to higher education go through.

KIRKLAND POINTED out that the plan to make students pay interest on government-guaranteed loans while they are still in school and to let rates on these loans float to market levels would "shut down" the system that now helps some two million students.

The President's call for a so-called 'self-help' contribution of $750 from the three million students receiving Basic Educational Opportunity Grants will hurt low-income households, Kirkland said. He noted, too, that many of the 800,000 students receiving social security benefits because their parents are dead, retired or disabled will have to quit school if that aid is cut off.

"The AFL-CIO is convinced," Kirkland stressed, that "the benefits of public higher education are a precious natural resource, and that education is an investment, not a drain, on our economy."

Rail Unions Prod Conrail On Faults of Management

Railway labor leaders called on officials of the Consolidated Rail Corp. to "look inward" to see what management can do to improve the railroad's efficiency before asking employees to eliminate work rules and freeze or cut their wages.

"While we repeatedly hear how much the employees must be prepared to sacrifice," President Fred J. Kroll of the Railway Labor Executives' Association told a House Energy & Commerce subcommittee, "not one word has been forthcoming from Conrail, the Dept. of Transportation, or the Interstate Commerce Commission . . . as to what Conrail management might do to improve its productivity in terms of service, supervision, employment of consultants, or anything else."

KROLL NOTED productivity expert Edward Deming's observation that management is usually 80 percent responsible for a bad productivity record, and added:

"Employees, of course, are the easy, available target, but management controls when, how, and under what circumstances the work gets done."

The Administration, which proposes to sell the government-sponsored railroads, needs to weigh the full cost of permitting Conrail's demise, Kroll said.

"Removal of Conrail would not only cause unemployment for tens of thousands of Conrail employees and additional tens of thousands of wage earners who depend upon the existence of Conrail for their livelihoods, but it would steepen and hasten the overall economic decline of the entire northeastern United States with all the adverse tax and welfare consequences such a decline would effect," he said.

THE ADMINISTRATION'S plan calls for splitting up the railroad and selling its lines to other carriers. To make the sell-off more attractive to prospective buyers, it is seeking legislation to end a program—Title V of the Regional Rail Reorganization Act of 1973—under which Conrail must compensate workers who lose their jobs because of the sale.

President Fred A. Hardin of the United Transportation Union told the House panel, chaired by Rep. James J. Florio (D-N.J.), that UTU "does not see how cutting employees' benefits will solve Conrail's underlying problem of inefficient operations." He, too, asked what Conrail management was prepared to sacrifice while it asked workers to sacrifice their jobs.

THE UTU AND other rail unions have submitted to Congress a plan to make recommendations for quality control and efficiency improvements in Conrail's structure and services. Kroll and Hardin told the Florio subcommittee that railroad workers have better protection guarantees on most other railroads, and that those lines manage to run with a profit.

The unions are organizing a Washington rally Apr. 29 at which thousands of railroad workers will march to the Capitol to make their views known to legislators.

R-T-W Bills Slapped Down In Two New England States

Two New England states have handed rock-ribbed rebuffs to so-called right-to-work bills introduced in their state legislatures. The anti-union proposal went down to a nearly two-to-one defeat in Vermont, and a series of open-shop bills was rejected in rapid succession by Maine's legislators.

A Mar. 31 vote in the Vermont house scuttled a "right-to-work" measure by a vote of 92 to 51 with 7 absentees, state AFL-CIO President Robert E. Clark reported. The rejection should bury the issue until at least 1983, Clark said. He credited the victory to effective lobbying by local union officers and to the efforts of State COPE Director Tom Belville.

Maine AFL-CIO President Charles O'Leary had similar praise for his state's labor movement, which had urged the legislature to reject four compulsory open-shop bills in a flurry of activity in early April.

A "right-to work" law for private industry was routed 92 to 53 in the house, which also stopped a similar bill aimed at public employees by an 82 to 61 vote. A separate bill to eliminate exclusive representation rights for public employee unions was defeated 89 to 55. The state's senate rejected all three measures by voice vote.

An attempt to force a compulsory open shop on the University of Maine faculty was narrowly defeated 17 to 16 in the senate and 76 to 68 in the house.

A New Danger Signal

THE 6-0 VOTE by a House Ways & Means subcommittee to support legislation that would raise the basic social security retirement age from 65 to 68 raises a danger signal that should not be ignored.

If enacted, it would be the equivalent of a pay cut for older workers. If they wanted to collect the full social security benefits to which they are now entitled at age 65, they would have to work three additional years.

Under current law, a retired worker can draw reduced social security benefits at age 62. Under the proposed change, a person choosing to retire at age 65 would have to accept reduced benefits.

EVEN IF WORKERS now within a few years of retirement are exempt from the change, the proposal is wrong on a number of counts and should be firmly rejected.

It is wrong because it would be a breach of contract with the bulk of people already in the workforce—the men and women who have had the social security tax deducted from their paychecks each week, as required by law, and who should be entitled to the protections promised by law.

It is wrong because it seeks to keep people in the workforce longer through financial pressure and not out of free choice.

Nothing in the social security law compels a worker to retire at a set age, but inadequacy of benefits should not force postponement of retirement. Not everyone approaching retirement is in a sedentary job with minimal physical demands.

And it is wrong because it represents a panicky response to a scenario in which the next century will find a smaller number of people in the prime working ages obligated to support a larger number of retired senior citizens.

IN FACT, the problems the social security system faces come more from unemployment and inflation than from changes in the birth rate.

These funding problems are temporary and solvable with the modest infusion of general revenue funds that the AFL-CIO has long urged.

They do not justify a retirement age increase that the AFL-CIO Executive Council termed "tantamount to an across-the-board benefit reduction for millions of workers, particularly those who are forced into early retirement for reasons of poor health or unemployment."

The council called on the government to "keep its word" and warned that changing the terms of social security benefits "would constitute a breach of faith that would undermine public confidence in social security."

SURVEYS HAVE found that about two-thirds of workers retire either because of poor health or because their jobs have been eliminated.

These problems, certainly, will not go away if Congress chooses to punish those who retire before the edge of 68. Americans may live longer than their parents because of modern medicines and better hospital facilities. But longer life does not necessarily mean improved health.

The House Ways & Means subcommittee is off on the wrong tack.

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LANE KIRKLAND, *President*
THOMAS R. DONAHUE, *Secretary-Treasurer*

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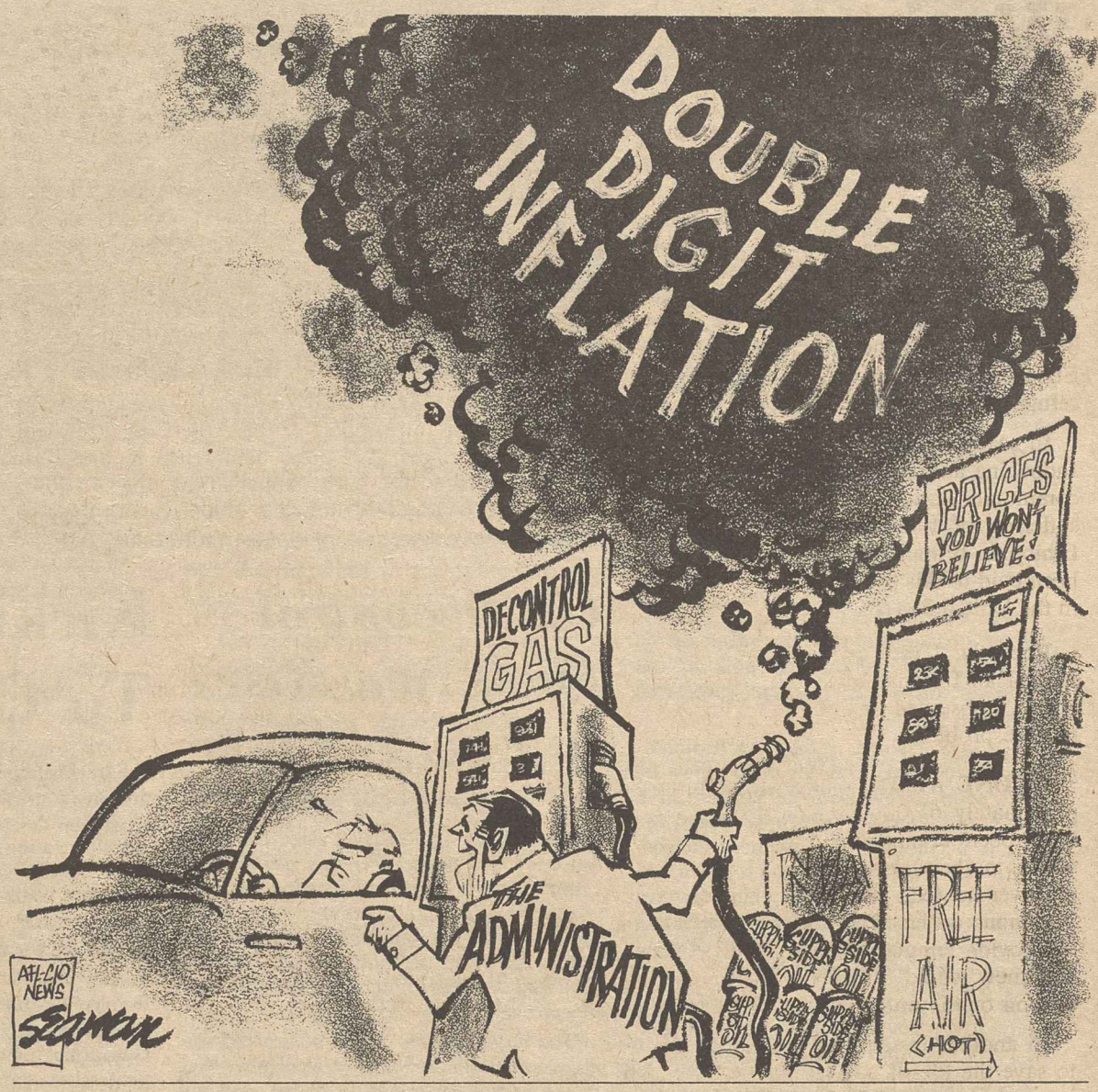
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'Fill 'er Up?'



Trickle-Down Myth Runs Dry

Oil Firms Spurn Output Boost To Expand Profit Margins

By Gus Tyler

THE STORY on how the oil companies have been buying up the mineral industry came at a bad time for those people who have been talking about how the enrichment of the rich will provide the necessary "capital" to expand output in America, especially output in such vital fields as oil.

The oil story tells us that the folk who have the capital, oodles of capital, will not necessarily invest in expanding production at all; they will simply use the surplus wealth to buy up other existing companies.

OIL COMPANIES do have much capital. They account for one-third of all the profits of corporate America.

If that is not enough evidence, then just take a look at all the expensive items they have been buying recently: copper companies, coal companies, metal and ore companies, rare earth companies, letter houses, newspapers, hotels, etc.—just to name a few. All that buying takes a big bankroll.

Indeed, it was a sudden spate of just such buying that spurred the stories on the takeovers of the biggies by the biggers. In one week, Standard Oil of California paid out $4 billion for Amax, Standard of Ohio paid out $1.77 billion for Kennecott, and Joseph E. Seagram & Sons made a bid for St. Joe Minerals by using $2 billion realized from the sale of Seagram's oil assets.

The reaction to these takeovers stirred moral indignation in some quarters. An "energy expert in Congress" is quoted as saying, "These things don't add a nickel's worth of oil to our reserves."

He might also have added that these acquisitions do not create a single added job in the country, except perhaps for those lawyers who maneuver the mergers.

BUT MORAL outrage directed against the oil companies is not only a useless exercise, it actually pushes us into a wrong conclusion. We are too apt to decide that oil companies are run by evil people and that such sinful souls ought to be punished either here or in the hereafter.

The truth of the matter is that oil companies are doing what everybody else does and what every corporation must do if it wishes to stay competitive. For all of them, there is only one bottom line: return on investment.

That's their bottom line not because they are more materialistic than the rest of us but because that's the way the system runs. "They say," reports the New York Times, "that buying copper and other mineral companies affords their shareholders the best return on their investment. And that, they add, is why they are in business."

THEY ARE NOT in business to produce oil, copper, autos, liquor, medicine, or baby diapers to "serve" society; all that jazz is just incidental to the main theme: making money. And if they forget that cold cash calculation, investors will forget them.

If that firm fact is remembered then all the talk about how the enrichment of the rich will expand our economy suddenly sounds silly. The name of the game is return on investment and as we now know there is often more to be gained by playing speculative sports than by producing more products—especially when the "speculation" can create monopolies to charge more for less.

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Higher Education A Natural Resource

The Administration's proposed reductions in direct and indirect federal aid to higher education could push as many as 750,000 students out of college and into a forbidding labor market.

The AFL-CIO is convinced that the benefits of public higher education are a precious natural resource and that education is an investment, not a drain on our economy.

Several cutbacks in government support for education will represent a failure to renew our human capital that threatens our prosperity at least as much as the failure to revitalize the economy through the modernization of physical plant and equipment.

—AFL-CIO President Lane Kirkland at a press conference to support United Professors of California, Mar. 30, 1981, San Francisco.

Starvation, Sickness Rampant

World Community Overlooks Suffering of Somali Refugees

By Bayard Rustin

SOMALIA, located in the strategically vital Horn of Africa, is one of the world's poorest countries. Since October 1979 an average of 1,000 refugees per day have been crossing that country's borders, fleeing the disputed Ogaden region of Ethiopia. The overwhelming majority of these refugees are women and young children.

In scale, the tragedy of Somalia rivals that of Indochina and its boat people. And yet the world community largely has been indifferent to the suffering of the unfortunate Somali victims of Ethiopian brutality. Horeover, little attention has been paid to this problem by the black community in the United States.

Recently, I returned from Somalia, where, as part of an International Rescue Committee study group, I observed first-hand the dimensions of the refugee problem.

IN ONE ARID refugee camp into which approximately 65,000 Somali women and children have been crammed I observed a thin, sickly young mother taking her child to a nearly dried up river to feed her baby what she knew was poisonous water. Her desperate act was intended to provide temporary comfort for a child which she knew would ultimately die whether of dehydration or the muddied water's poisons.

In another instance, our small group was able to save the life of one child by transporting it by jeep to a make-shift hospital where an understaffed medical team was able to help salvage an innocent life even as others were foredoomed to death.

The unrelenting flood of refugees is taxing the resources of a drought-stricken, underdeveloped country with one of the world's lowest standards of living. Yet Somalia's indigent population has had to absorb close to 1.5 million refugees into a country whose native population numbers 3.5 million. When proportionally adjusted to America's population, this is as if our country had to absorb 70 million helpless and starving poor.

THE SOMALI REFUGEES now live in make-shift encampments on barren territories carved out of the desert. Most of them live in ramshackle huts or worse. Many of the children are deformed by the bloated stomachs which indicate starvation.

Death is all pervasive in Somalia. The monstrous brutality of the pro-Soviet Ethiopian regime, coupled with a drought which is affecting all of East Africa, has resulted in widespread death and misery.

While famine and drought are crucial contributing factors to the steady stream of refugees, it does not help explain the reason why these refugees are streaming only in one direction: toward Somalia and away from Marxist-Leninist Ethiopia.

The roots of the Somalian tragedy derive in part from the historical decision to retain Africa's colonial borders. As a consequence, many African ethnic groups have been divided between several countries and are not allowed to live together in states which correspond territorially to historical and cultural traditions.

THIS PAN-AFRICAN problem will result in continued upheaval in the decades ahead. And yet those who argue that ethnic peoples such as the Somalis should remain a divided nation, ignore the fact that national identity remains a principal source of upheaval and discontent in Africa and throughout the world.

Clearly, what is needed is a far-reaching negotiated solution to the struggle for control of the Ogaden. Yet such a solution appears to be very far off. What is needed immediately, however, is massive international humanitarian aid in the neighborhood of $500 million. Our International Rescue Committee mission has recommended that the United States commit itself to $150 million of such aid.

Currently, the United States contributes one-third that amount through the United Nations High Commissioner for Refugees. Unless additional support is forthcoming from the United States and the world community, hundreds of thousands of innocent Somalis will die. Blacks, and indeed all Americans, cannot remain indifferent to the plight of the starving and drought-stricken Somalis.

THE WORLD COMMUNITY responded with amazing generosity to the plight of Indochinese refugees. The world must respond with similar compassion to the horrors which plague Somalia.

If we do not have the compassion to help the dying mothers and children from the Ogaden, then most certainly we will not have the compassion to solve the severe problems which affect minority and other poor Americans at home.

SEIU in Joint Effort

New Coalition Focuses Drive On Non-Union Women Workers

A **COALITION** formed by the Service Employees and Working Women provides a new and unique formula for winning collective bargaining rights for the nation's 20 million largely non-union secretarial and clerical workers, SEIU President John J. Sweeney said.

Working Women is an association of office workers formed in 1977 which has a membership of 10,000 in 40 states. It is not a union and has no collective bargaining agreements.

Sweeney said on Labor News Conference that the combination of special techniques developed by both organizations shapes an effective approach through the machinery of a union contract.

Noting that the clerical and secretarial workforce is about 90 percent female, he said the coalition will "spotlight the need for day-care centers and greater upgrading opportunities and on-the-job dignity," as well as the traditional workplace issues of wages, hours and working conditions.

Prime targets of the new organizing effort will be in the insurance, banking and financial industries, he said, where there are now few union contracts. There will also be a concentration on the clerical and secretarial areas of public employment, health institutions and universities, where the SEIU already represents a large number of administrative staff employees.

SWEENEY REPORTED "a tremendous expression of interest" since announcement of the coalition and the formation of SEIU District 925, which will be the nucleus of the union's stepped-up effort among women workers.

"Inquiries have come from all over the country, not only regarding organizing opportunities, but also from volunteers who are interested in organizing unions in their areas," he said.

Reporters questioning Sweeney on the AFL-CIO produced public affairs program were Martha Hamilton of the Washington Post and Philip Shabecoff of the New York Times. Labor News Conference is broadcast weekly on Mutual radio.

Full Measure of Quality!



UNION LABEL AND SERVICE TRADES DEPT., AFL-CIO

Washington Window

By Press Associates, Inc.

IN ASSERTING the right to organize and bargain collectively, the American labor movement throughout its history has encountered stiff and sometimes brutal opposition from employers.

Following the epic labor victories of the 1930s and the codification of workers' rights in the National Labor Relations Act, employer use of physical intimidation and violence subsided.

Union-busting, however, has been undergoing a major resurgence in recent years. But instead of goon squads, nightsticks and jailings, there is the well-manicured "labor relations consultant," armed with a briefcase rather than brass knuckles.

A recent report by a congressional labor-management relations subcommittee observed that the labor relations law's "growing inability to protect in any meaningful way the right of employees to organize corresponds closely with the growth and spread of the consultant industry."

One consulting firm, Modern Management Methods, Inc., told the subcommittee that, during the years 1977-79, it assisted employers in 696 union organizing drives and defeated the union in 647 instances, or 93 percent of the time.

IT WAS ESTIMATED that management spends at least $500 million a year on these outside specialists—putting union-busting among the nation's biggest growth industries.

These are some of the ways the subcommittee found that consultants operate. They:

- Advise employers to screen job applicants to weed out certain individuals, and even ethnic and age groups, who might favor a union. The polygraph, or lie detector, is sometimes used.
- Force supervisors to produce a personal profile on each worker and his or her attitude toward the union. Supervisors are carefully instructed on ways to pressure workers to vote against the union.
- Recommend that union supporters be isolated from other workers, such as by transfer to remote work areas, to minimize their ability to present the union's position.
- Arrange captive audience meetings of employees where threats may be made to close the plant, or perhaps to thwart collective bargaining, if the union is voted in.
- Orchestrate a constant drumbeat of anti-union propaganda, which might include a "Vote No" message on vending machines, coffee cups, napkins and matchbooks.

The subcommittee was told that in one hospital organizing campaign, supervisors stopped nurses on their way to emergency calls. "They invade patients' privacy by interrupting their baths to hand literature to the nurses. They tell you to read it right there," a nurse testified.

THE CONSULTANTS' operations are usually clandestine and thus all the more difficult to combat. Despite the existence of the labor-management reporting disclosure section of the 1959 Landrum-Griffin Act, the subcommittee found that the law's "employer and consulting reporting provisions have for the past 14 years been a virtual 'dead letter,' ignored by employers and consultants and unenforced by the Dept. of Labor" as well as by the NLRB and Justice Dept.

The subcommittee recommended that these three agencies coordinate enforcement of the laws relating to consultants and also that Congress strengthen labor statutes to better protect workers seeking to organize.

A hopeful action occurred recently when the NLRB brought unfair labor practice complaints against three consulting firms involved in organizing drives.

It's a beginning. But working people—organized and unorganized—need to turn up the heat against today's union-busting experts and keep the fires lit under the government agencies responsible for protecting the right to organize and bargain collectively.



NEW FORMULA for winning bargaining rights for the nation's 20 million secretarial and clerical workers is seen in the newly formed coalition of the Service Employees and Working Women, a national office workers association, SEIU President John J. Sweeney, center, said on Labor News Conference. The AFL-CIO vice president was questioned by Martha Hamilton of the Washington Post and Philip Shabecoff of the New York Times.



Sec.-Treas. Donahue "sums up" the Philadelphia conference.

Regional Sessions Explore Vital Issues



COPE Director Al Barkan and delegates hold an impromptu conference.



Alan Kistler talked organizing six times a day in each city.

Intensive discussions that touched all of American labor's concerns marked the six AFL-CIO regional conferences held between Mar. 5 and Apr. 4. Labor representatives, primarily from state and local central bodies, gathered for the conferences in Philadelphia, Boston, Chicago, San Francisco, Denver and Atlanta.

Each conference had an attendance above 300 and some swelled to more than 400. Each had the same format—an opening night dinner and address by AFL-CIO President Lane Kirkland, a full day of workshops in which each state delegation was visited by Kirkland, AFL-CIO Sec.-Treas. Thomas R. Donahue and the federation's directors of organizing, COPE and legislation.

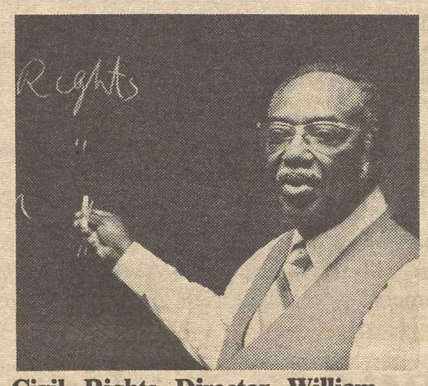
The closing half-day session offered two workshops by other department directors, with delegates pre-registering for any two, followed by a "summing up" session by Kirkland and Donahue.

Thus, the only time all delegates were together in plenary session was for the opening and closing, with the emphasis on discussion and two-way communication in the 14 intervening workshops. Various state delegations ranged from as few as six to more than 100, with the large delegations split into two groups to facilitate discussion.

The seventh and final conference will be held June 4-5-6 in New Orleans for the states of Louisiana, Oklahoma, Arkansas, Texas, Kansas, Missouri and Mississippi.



President Kirkland briefs news reporters in Boston.



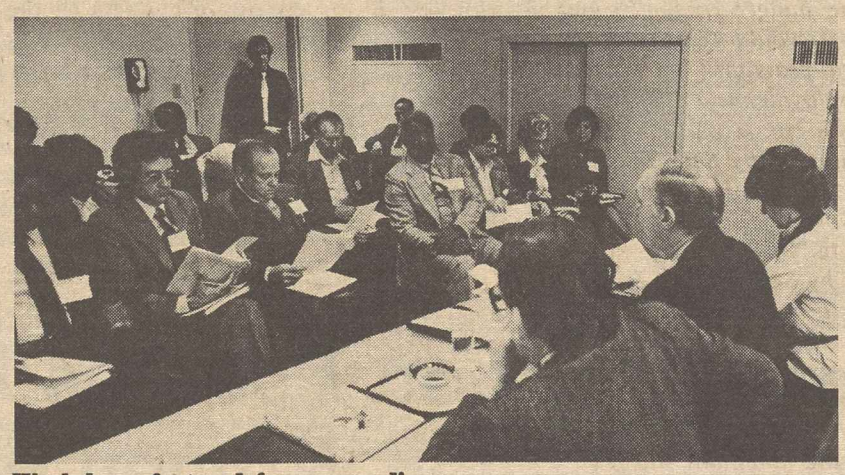
Civil Rights Director William Pollard conducts his workshop.



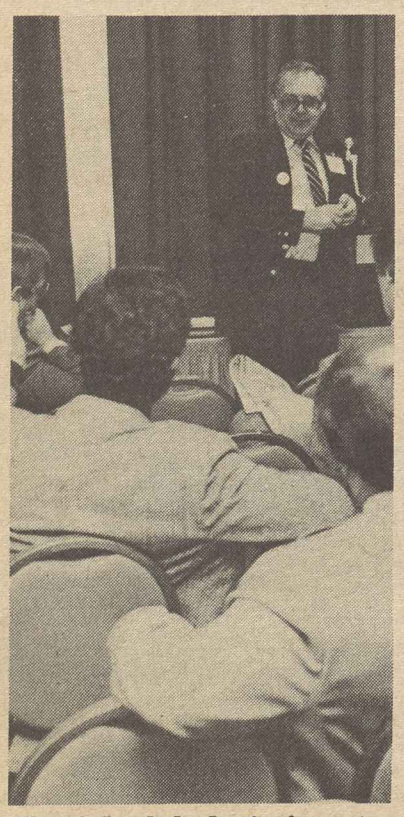
Delegates talk with Kirkland during 10-minute shuffle between sessions.



Representatives of labor-supported groups join in organizing workshop.



Workshops featured free, open discussions with federation officers.



The federal budget's impact was always the topic for Research Director Rudy Oswald.



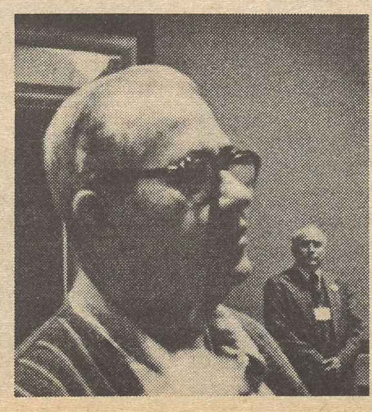
A pilot program on grass-roots lobbying was discussed by Legislative Director Ray Denison.



Education Director Dorothy Shields answers questions from participants.









Budget, Tax Plans Scored As 'Simplistic'

(Continued from Page 1)

costly social security tax credit as an alternative to the Administration plan to give the biggest benefits to those with the least need.

When fully effective, the Administration plan would increase by 1.2 percent the after-tax income of a family dependent on $5-an-hour earnings, Taylor noted. But the value of the tax cut would be 9.2 percent at an income level of $50 an hour, she pointed out.

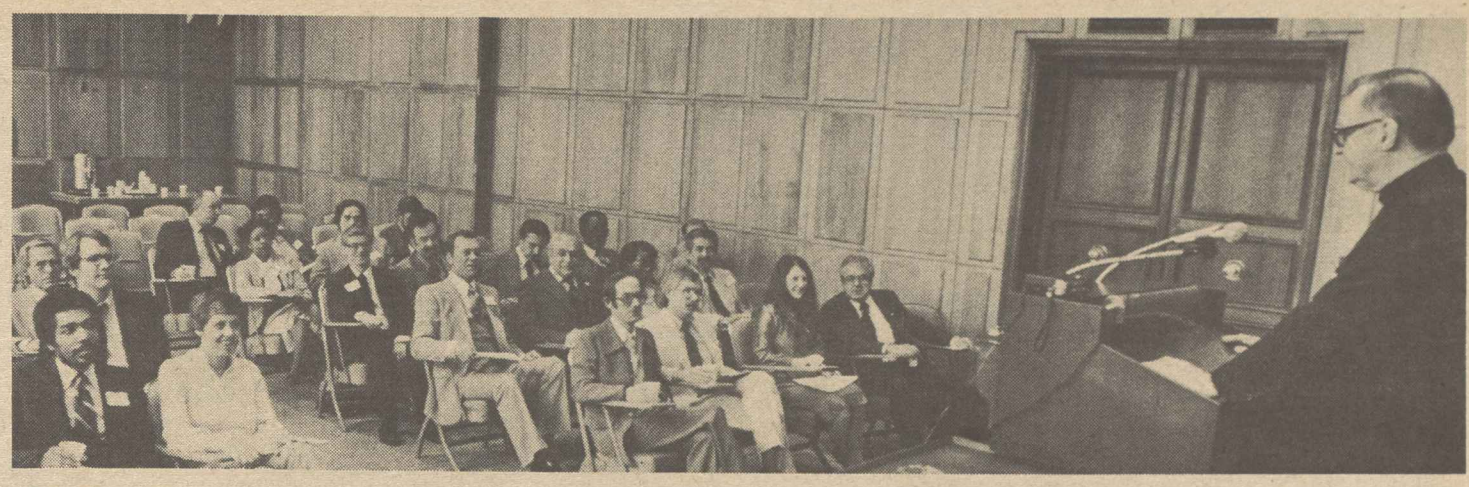
No union would ever negotiate and seek ratification of such an inequitable division, she protested.

Taylor also renewed the AFL-CIO's call for selective credit controls and other targeted methods of bringing down inflation. But she stressed repeatedly that budget deficits in recent years have been a symptom and not a cause of the nation's economic problems.

"WE DO NOT believe the nation has been too generous in helping the poor, the disadvantaged or the unemployed," she testified. Yet "the Reagan budget calls for huge reductions in a wide array of programs that are essential to the health and welfare of the nation's needs and provide a critical underpinning for the entire economy," she observed.

Wiping out job and job training programs will push more people on welfare, she said, and "cuts in the energy program are in direct conflict with the need to break OPEC's stranglehold."

Especially at a time of budget slashing and austerity, Taylor said, the AFL-CIO sees "no justification" for huge tax windfalls to corporations in the hope "that this largess will trickle down to workers and consumers."



CONTINUING EFFORTS to establish a formal national coalition were explored by the Religion & Labor Conference at the AFL-CIO headquarters. The conference, comprising representatives from the Protestant, Catholic and Jewish faiths, has been meeting on an ad hoc basis for the past three years. Addressing the session is Msgr. George G. Higgins of Catholic University, who is co-chairman of the conference along with Alan Kistler, the federation's organizing and field services director. AFL-CIO Sec.-Treas. Thomas R. Donahue also addressed the session.

Union-Industry Effort Spurs Gains in Men's Wear Field

Philadelphia—The nation's men's wear industry is becoming more efficient and more competitive thanks to a three-year-old labor-management project that develops advanced technology for the industry and helps recruit and train new workers.

The accomplishments of the program, known as Joint Job Training & Research Inc. (JTR), were outlined at a seminar held here by the project's sponsors, the Clothing & Textile Workers and the Clothing Manufacturers Association.

JTR WAS established in 1978 by the union and the industry group as a nonprofit organization to coordinate research and development programs that would introduce advanced manufacturing techniques to men's and boys' clothing plants. Also, the project works to recruit and train new workers in the industry. It is funded by government grants.

ACTWU President Murray H. Finley is chairman of JTR's executive board, which includes the union's Sec.-Treas. Jacob Sheinkman, Vice President Harry Lautman and three industry representatives.

Sheinkman, in a speech opening the progress seminar, called the joint effort "the product of close cooperation between the union, the industry and the government" and called its successes "concrete evidence" that such joint efforts can work on "solid and real issues." The program deserves continued government assistance, he emphasized.

JTR is a successful result of the 1977 negotiations between the union and the industry, CMA President Lawrence Ward told the meeting. Ward, who is head of Haspel Bros., pointed to the program as an example of how cooperation between labor and management can develop technology to aid American industry.

Tax-Free Bonds Called Costly Treasury Drain

(Continued from Page 1)

noted that state authorization laws only vaguely define the terms, and the result is that "almost any type of business" can qualify.

LARGE RETAIL chain stores and units of big corporations have been among the beneficiaries. Many of them, the CBO report noted, would have been built in the same locations even if the tax-free bonds had not been available.

Schechter stressed that the revenue the government loses has the same budget impact as money spent to fund government programs.

He termed it "unconscionable that such tax expenditures be allowed to continue while cuts are made in programs such as food stamps, unemployment compensation, Medicare, school lunches and low-income housing."

Surely, he suggested, the corporate borrowers are not among the "truly needy" who are supposed to be spared from the hardships of budget cuts.

AN ATTACHMENT to the AFL-CIO testimony listed large corporations that have benefited from financing by the so-called "small issue" industrial revenue bonds. These corporations, Schechter said, have earnings running to hundreds of millions of dollars annually, and most have had significant year-to-year increases in earnings and dividends paid.

The effect of the revenue bonds, he suggested, has been to reallocate income "from the U.S. Treasury to large corporations and their stockholders."

Senate Rollcalls on Key Budget Cutbacks

The budget reconciliation bill that the Senate passed on Apr. 2 would compel drastic cutbacks in many labor-supported programs, including trade adjustment assistance and unemployment compensation.

Vote No. 1 *shows the 69-29 defeat of a labor-endorsed amendment by Sen. Thomas F. Eagleton (D-Mo.) to restore $400 million of cuts to be made in trade adjustment assistance for workers whose jobs are wiped out by imports.*

Vote No. 2 *is the 60-38 defeat of a labor-supported amendment by Sen. Donald W. Riegle, Jr. (D-Mich.) that sought to drop a requirement that states make their unemployment compensation eligibility standards tougher. The projected budget "savings" would come through requiring skilled workers unemployed more than 13 weeks to take any job that pays as much as the unemployment benefit as long as it is not less than the minimum wage.*

Vote No. 3 *is the 88-10 vote to pass the labor-opposed legislation.*

On all three votes, R shows "right" votes for labor's position, W indicates "wrong" votes and absentees are marked A.

	1	2	3
ALABAMA			
Denton (R)	W	W	W
Heflin (D)	R	R	W
ALASKA			
Murkowski (R)	W	W	W
Stevens (R)	W	W	W
ARIZONA			
Goldwater (R)	W	W	W
DeConcini (D)	W	R	W
ARKANSAS			
Bumpers (D)	W	R	W
Pryor (D)	W	R	W
CALIFORNIA			
Cranston (D)	R	R	R
Hayakawa (R)	W	W	W
COLORADO			
Hart (D)	W	R	W
Armstrong (R)	W	W	W
CONNECTICUT			
Weicker (R)	W	R	R
Dodd (D)	R	R	R
DELAWARE			
Roth (R)	R	W	W
Biden (D)	R	R	W
FLORIDA			
Chiles (D)	W	W	W
Hawkins (R)	W	W	W
GEORGIA			
Nunn (D)	W	W	W
Mattingly (R)	W	W	W
HAWAII			
Inouye (D)	R	R	W
Matsunaga (D)	W	R	W
IDAHO			
McClure (R)	W	W	W
Symms (R)	W	W	W
ILLINOIS			
Percy (R)	W	W	W
Dixon (D)	R	R	W
INDIANA			
Lugar (R)	W	W	W
Quayle (R)	W	W	W
IOWA			
Jepsen (R)	W	W	W
Grassley (R)	W	W	W
KANSAS			
Dole (R)	W	W	W
Kassebaum (R)	W	W	W
KENTUCKY			
Huddleston (D)	W	R	W
Ford (D)	R	R	W
LOUISIANA			
Long (D)	W	W	W
Johnston (D)	W	W	W
MAINE			
Cohen (R)	W	W	W
Mitchell (D)	R	R	W
MARYLAND			
Mathias (R)	R	R	A
Sarbanes (D)	R	R	R
MASSACHUSETTS			
Kennedy (D)	R	R	R
Tsongas (D)	W	R	R
MICHIGAN			
Riegle (D)	R	R	W
Levin (D)	R	R	R
MINNESOTA			
Durenberger (R)	W	W	W
Boschwitz (R)	W	W	W
MISSISSIPPI			
Stennis (D)	W	W	W
Cochran (R)	W	W	W
MISSOURI			
Eagleton (D)	R	R	R
Danforth (R)	W	W	W
MONTANA			
Melcher (D)	R	R	W
Baucus (D)	W	R	W
NEBRASKA			
Zorinsky (D)	W	W	W
Exon (D)	W	W	W
NEVADA			
Cannon (D)	W	R	W
Laxalt (R)	W	W	W
NEW HAMPSHIRE			
Humphrey (R)	W	W	W
Rudman (R)	W	W	W
NEW JERSEY			
Williams (D)	A	A	A
Bradley (D)	R	R	W
NEW MEXICO			
Domenici (R)	W	W	W
Schmitt (R)	W	W	W
NEW YORK			
Moynihan (D)	R	R	W
D'Amato (R)	W	W	W
NORTH CAROLINA			
Helms (R)	W	W	W
East (R)	W	W	W
NORTH DAKOTA			
Burdick (D)	R	R	W
Andrews (R)	W	W	W
OHIO			
Glenn (D)	R	R	W
Metzenbaum (D)	R	R	R
OKLAHOMA			
Boren (D)	W	W	W
Nickles (R)	W	W	W
OREGON			
Hatfield (R)	W	W	W
Packwood (R)	W	W	W
PENNSYLVANIA			
Heinz (R)	R	R	W
Specter (R)	R	W	W
RHODE ISLAND			
Pell (D)	R	R	R
Chafee (R)	W	R	W
SOUTH CAROLINA			
Thurmond (R)	W	W	W
Hollings (D)	W	W	W
SOUTH DAKOTA			
Pressler (R)	W	W	W
Abdnor (R)	W	W	W
TENNESSEE			
Baker (R)	W	W	W
Sasser (D)	R	R	W
TEXAS			
Tower (R)	A	A	W
Bentsen (D)	W	W	W
UTAH			
Garn (R)	W	W	W
Hatch (R)	W	W	W
VERMONT			
Stafford (R)	W	W	W
Leahy (D)	R	R	W
VIRGINIA			
Byrd (D)	W	W	W
Warner (R)	W	W	W
WASHINGTON			
Jackson (D)	R	R	W
Gorton (R)	W	W	W
WEST VIRGINIA			
Randolph (D)	R	R	W
Byrd (D)	R	R	W
WISCONSIN			
Proxmire (D)	W	W	W
Kasten (R)	W	W	W
WYOMING			
Wallop (R)	W	W	W
Simpson (R)	W	W	W

Transit Workers Voting on New Philadelphia Pact

Philadelphia—Some 5,000 striking bus, trolley, and subway workers returned to their jobs after negotiators for Transport Workers Local 234 won agreement on a new contract with the Southeastern Pennsylvania Transportation Authority.

A membership vote on whether to accept the tentative two-year settlement was set for Apr. 10. The accord was reached Apr. 2 on the 19th day of the walkout.

THE MAIN stumbling block had been management's demand for authority to hire part-time workers, an action prohibited under the old contract. Fred Allen, business agent for Local 234, said the ban on part-time hiring, as well as a no-layoff clause, will remain in force under the new agreement.

Highlights of the agreement include a 12.5 percent wage increase in the first year plus cost-of-living adjustments on Dec. 15 of this year and next. The COL clause calls for a 1-cent hourly increase for each rise of four-tenths of 1 percent in the federal consumer price index, up to a ceiling of 12 cents per year. The pact also improves pension and insurance benefits.

OSHA Hit For Retreat On Chemicals

(Continued from Page 1)

arbitrary decision," Denison said. The Labor Dept., he suggested, was responding to signals from the chemical industry "and orders by the Office of Management & Budget."

THE AFL-CIO witnesses stressed that the effect of the Administration action was to stifle public discussion and consideration of all aspects of the issue. After the hearings, the new OSHA assistant secretary would have been free to modify or rewrite the regulation.

Denison told the House panel that federal inaction "will not stop the working people of this country from seeking other means of gaining right-to-know protections."

Five states—Maine, Michigan, Connecticut, California and New York—have already enacted legislation to achieve this, he said. While the state laws vary in the scope of chemicals covered and the information required, Denison said, "they are based upon the same principle, the worker's right-to-know."

The AFL-CIO favors federal action over state requirements to assure uniform coverage and adequate enforcement of worker health and safety, Denison said.

"BUT GIVEN the realities of the present federal regulatory environment," he testified, "we have urged our members to use every means available—state legislation, regulations and contract language—to gain information on workplace chemicals."

Until all workers have the information they need about the hazards of chemical substances, he warned, there will continue to be "unnecessary illness and death."

The hearings will resume after the Easter recess of Congress and other union representatives will be among those testifying.



INDUSTRY PRESSURE led to withdrawal of OSHA's proposal to require disclosure of chemical hazards in workplaces, the AFL-CIO charged at House hearings. At the witness table, from left, Safety Director George H. R. Taylor, Legislative Director Ray Denison and Margaret Seminario, industrial hygienist in the AFL-CIO Dept. of Occupational Safety & Health.

New FTC Rule Gives Unions Voice in Antitrust Hearings

Labor unions now have an automatic right to intervene in Federal Trade Commission antitrust cases where divestiture may be ordered with a resulting effect on employees' jobs, the FTC announced.

The commission voted 3 to 2 to change its rule of practice (Rule 3.14), which had been published for comment on Mar. 14, 1980. While the agency always had a practice of entertaining requests for permission to intervene from interested parties, including labor organizations, the rule change makes automatic the right of unions to intervene.

THE DECISION emanates from a lengthy struggle of the Grain Millers and other unions, assisted by the AFL-CIO Food & Beverage Trades Dept., to protect the rights of their members in the FTC's pending divestiture case against the ready-to-eat cereal industry.

Since 1972, the agency has sought to break up the industry, which it argues is noncompetitive because of the concentration of four big firms—Kellogg Co., General Mills, Inc., Quaker Oats Co., and General Foods Corp.

When the Grain Millers attempted to intervene in August 1978 as a party in the FTC proceedings, it was turned down on the ground that its concern in the case was "wholly irrelevant" to the issues involved. The union sought to be heard because the proposed divestiture would have ousted 2,650 of its members from their jobs and destroyed its contracts.

"Why then should we not have a voice in the case to protect the interests and contractual rights of these employees," the union said in August 1979, as it pressed for the right to be heard.

THE FTC HAD proposed spinning off five new cereal companies from the four major firms where the Grain Millers was the recognized bargaining agent under the National Labor Relations Act. If the FTC plan went into effect, the union contended, the new companies would be under no obligation to continue the master contracts already in place, "and it is quite conceivable that some or all of these new companies might decide to try to get by without a union."

Commenting in favor of the change permitting automatic union intervention, AFL-CIO affiliates argued that divestiture often has a serious impact on unions and their members as in the Grain Millers case. The FTC's staff said the agency would review the decision on intervention in a year.

Kirkland Asks Swift Probe Of Grain Elevator Explosions

The AFL-CIO has called for an immediate investigation of the grain elevator explosions in Corpus Christi, Tex., and Bellwood, Neb., that left at least seven dead and 36 injured.

Federation President Lane Kirkland urged the Occupational Safety & Health Administration and the Agriculture Dept. to examine both incidents "swiftly and thoroughly" and to "accelerate the pace" of developing safety and health standards and enforcement procedures "to prevent the occurence of these needless tragedies in the future."

A SERIES of flaming explosions ripped through the 14-story waterfront elevator in Corpus Christi on Apr. 7, damaging 54 of 153 silos in the city-owned facility.

The explosions, which occured just before a shift change with some 50 workers in the area, killed at least four workers, injured at least 33, including seven federal grain inspectors in the area on routine business. Two more workers are missing and listed as dead.

Only a few hours later, at least one other worker was killed and two injured in the Nebraska incident which demolished a farmers' cooperative elevator.

LOCAL AUTHORITIES worked through the night to drain thousands of gallons of propane gas from two nearby storage tanks threatened by the tilting remains of the elevator.

Kirkland called the two accidents "a reminder of the needless destruction of life and property that has characterized this industry for years." The explosions were the fifth and sixth since January.

At least 99 workers have died and 187 have been injured in grain elevator explosions since 1976, Kirkland said, pointing out that many more have been killed or seriously hurt by thousands of elevator fires during the same period.

"The knowledge to prevent such tragedies has existed for years," Kirkland said, "and the time to use it is now." Currently, no OSHA standard exists for controlling the amount of grain dust in and around elevators and mills.

ROBERT F. HARBRANT, president of the AFL-CIO Food & Beverage Trades Dept., pointed to grain dust as "the fuel that powers these explosions." Grain dust is nine times more explosive than coal dust, he said, stressing that although the United States has had the knowledge and many techniques for preventing dust explosions for at least 60 years, the methods have not been adequately implemented.

In 1977 alone, Harbrant said, two major dust explosions destroyed more than 2.5 percent of the nation's grain export capacity for that period.

4/11/81

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Jobless Rate Holds at 7.3% During March

The nation's unemployment rate stuck for the second consecutive month at a seasonally adjusted 7.3 percent in March as new workers coninued to enter the labor force at the same pace that new jobs opened up.

Both total employment and the labor force increased by about half a million last month, advancing to 98.4 million and 106.2 million, respectively, the Bureau of Labor Statistics reported. Adult men accounted for over 70 percent of the over-the-month increase in each of the two categories.

THE TOTAL NUMBER of unemployed workers in the country last month was 7,764,000, marginally above the 7,754,000 of the previous month. The jobless level has been essentially unchanged since last summer.

The unemployment rate for adult men last month dropped slightly to 5.9 percent from 6 percent in February. The rate for women rose to 6.6 percent from 6.5 percent. For whites, the rate declined to 6.5 percent from 6.6 percent the month before. The rate for blacks rose to 13.7 percent from 13.1 percent, and the rate for Hispanics fell to 10.7 percent from 12 percent. Teenage unemployment fell to 19.1 percent from 19.3 percent.

THE NUMBER of "discouraged" workers—those who want jobs but do not look for work because they think none is available—showed an increase of 60,000 in the first three months of 1981, BLS said. The 1.1 million level was 165,000 higher than a year earlier.

At an even 40 hours, the average factory work week was at about the same level as the end of 1980. Manufacturing overtime, at 2.9 hours, was unchanged over the month.

A survey of industry payroll employment showed that manufacturing employment remained at about 20.4 million in March. Factory jobs were still three-quarters of a million below the June 1979 pre-recession high.

EMPLOYMENT in construction and mining was unchanged over the month at 4.5 and 1.1 million, respectively. The number of construction jobs was about 230,000 below the January 1980 peak. By contrast, employment in mining, which had increased fairly steadily during 1980, was about 85,000 above the year-earlier level.

In the service sector of the economy, only state and local government—down by 55,000—showed any substantial movement during March. This was largely offset by small gains in trade and services.

House Democratic Proposal Would Soften Budget Slash

(Continued from Page 1)

The House appeared more likely to make substantive changes in the Administration's tax proposals—an area where Republicans have been much more divided.

House Ways & Means Committee Chairman Dan Rostenkowski has outlined what is generally considered a politically attractive policy—angled more to middle-income taxpayers than to the very rich who would profit most by the Administration bill. But it would give wealthy investors a benefit not proposed by the Administration—a ceiling of 50 percent tax on unearned income.

WHILE THE budget battle will be largely along party lines, with the possibility of liberal amendments to try to improve the Budget Committee proposal, the lines may be more blurred on a tax bill. Rostenkowski has said his hope is to fashion a bipartisan measure.

The statement adopted by the House Democratic Caucus—by voice vote on Apr. 8—mingled liberal and conservative rhetoric in its search for a consensus.

It sought to spell out basic differences between the two major parties, rejecting President Reagan's contention that government is "the problem." The Democratic view is that government is "a necessary instrument for achieving vital public goals."

The caucus termed it "foolhardy to try to combat inflation with a massive across-the-board tax cut whose immediate effect would be to make it worse."

BUT IT EMBRACED "a national consensus" for "reducing the size of government" and said regulations must be made more "cost-effective."

It said recipients of government assistance should be encouraged to work but promised to resist cuts "that would throw people out of work and onto welfare."

The caucus statement endorsed an "incomes policy" based on "cooperation of government, labor and business."

The caucus promised "a lean federal budget, which puts us on the path to balancing the budget and provides for the human needs of our people."

New Tax Bill Offers Aid to Workers, Business

AFL-CIO News

Vol. XXVI 3 Saturday, April 18, 1981 No. 16

A tax bill that meets the AFL-CIO's test of fairness to workers while targeting aid to advance reindustrialization goals has been introduced by Rep. Frank J. Guarini (D-N.J.).

Guarini is a member of the House Ways & Means Committee, which has jurisdiction over tax legislation and later this month will start voting on the ingredients of a committee bill.

THE MEASURE introduced by Guarini (H.R. 3218) includes the social security payroll tax credit the AFL-CIO had proposed as a more equitable and less costly alternative to the Reagan Administration's percentage cut in federal income taxes.

Under the Guarini bill, workers would have 20 percent of their social security tax refunded to them through tax credit, and employers would receive back 5 percent of their share of the payroll tax.

The tax credit would be worth more to the majority of wage earners than the Reagan proposal, but the revenue drain would be less because the tax credit would top off at $395 for an individual worker while the Administration income tax would give substantially bigger payments to the very affluent.

All employers would profit from their share of the social security tax credit, but those employing the largest number of workers would benefit most.

The targeted business tax cut urged by the AFL-CIO and spelled out in H.R. 3218 contrasts dramatically with the Administration proposal, which would give accelerated depreciation allowances and the full 10 percent investment tax credits to all business enterprises, regardless of need or economic benefit to the nation.

The revenue loss to the government of the Reagan proposal, just from the faster depreciation, would rise from $9.7 billion in the next fiscal year to $60 billion when fully effective.

AS PROPOSED by Guarini and urged by the AFL-CIO, aid to business apart from the 5 percent social security credit

(Continued on Page 7)

Budget Battle Hits Grass Roots



BUDGET COALITION representatives are welcomed by AFL-CIO Sec.-Treas. Thomas R. Donahue to a meeting on plans to coordinate back-home opposition to federal budget cuts affecting all of the nation's congressional districts.

Labor, Allies Mount Drive In Districts

By David L. Perlman

The trade union movement and its allies in the Budget Coalition activated affiliates in all congressional districts to demonstrate back-home support for needed federal programs threatened by drastic budget slashes.

The grass-roots lobbying was timed for the Easter recess, when nearly all members of Congress are in their home districts and available for meetings with constituents.

ITS IMMEDIATE goal is vote commitments for liberal alternatives to the sorely inadequate budget ceilings proposed by the House Budget Committee—and the even more drastic funding slashes that House Republicans will propose as a substitute. The budget debate is expected to start Apr. 30, a few days after Congress reconvenes.

AFL-CIO Sec.-Treas. Thomas R. Donahue told representatives of more than 150 cooperating organizations at a Budget Coalition meeting that the social gains of an entire generation could be wiped out in a few weeks through budget actions.

He urged the participating groups to relate the budget cuts to the concerns of their members—"to translate these issues into the language of your own constituency."

AFL-CIO central bodies will be available as coordinating centers for arranging meetings with congressmen and for joint actions, Donahue said.

The alliance of labor, social service, civil rights and public interest groups will be competing with home-state pressure on representatives and senators from business associations and conservative groups de-

(Continued on Page 3)

Labor Applauds Arrest In El Salvador Slayings

By James M. Shevis

AFL-CIO President Lane Kirkland commended the El Salvador government of Jose Napoleon Duarte and the FBI for the thoroughness of their investigation which led to the arrest of an El Salvador citizen in connection with the January murders of two American union advisers in San Salvador, the capital of the Latin American republic.

The arrest of Hans Christ, about 30 years old, followed intensive investigation and collaboration by U.S. and El Salvador authorities.

THE SUSPECT, who has long been identified with extreme right factions in El Salvador opposed to the ruling junta and the land reform program it began in March 1980, was taken into custody in Miami Beach on Apr. 15. A bond hearing was scheduled the following day.

Christ has been accused of involvement in the shooting deaths of Michael P. Hammer, 42, of Potomac, Md., and Mark Pearlman, 36, of Seattle, both representatives of the American Institute for Free Labor Development (AIFLD), an international auxiliary of the AFL-CIO.

The two were killed—along with Jose Rodolfo Viera, 43, head of the El Salvador government's land-reform agency, the Instituto Salvadoreno de Transformacion Agraria (ISTA)—in a hail of bullets as they sat in the coffee shop of a San Salvador hotel on Jan. 3. Witnesses said two men entered the room and sprayed the three with automatic pistol fire.

PRESIDENT DUARTE said shortly after the killing of Hammer and Pearlman that, "in my opinion, it was almost certainly an action by the extreme right."

The far-right forces have bitterly opposed El Salvador's agrarian reform program, which broke up many of the large estates and distributed the land to the peasants who actually worked it. Many landowners have sought to topple the Duarte government to regain the estates.

Kirkland urged the El Salvador government to continue its investigation of other possible suspects in the January killings, and to bring Christ and any other persons implicated in the murders to trial as promptly as possible. Similarly, he urged continuation of the investigation into the murders of other U.S. citizens in violence-plagued El Salvador and the speedy prosecution of those who are responsible.

HAMMER, WHO had been with AIFLD for 17 years until the day of his death, had arrived in San Salvador the

(Continued on Page 2)

Right to Bargain Over Shutdown Before Court

The Supreme Court was urged to uphold the right of a union to bargain with an employer in an effort to avoid a shutdown and thus save the jobs of workers it represents.

A joint brief submitted by the AFL-CIO and the Auto Workers contends that an employer's action that will result in abolition of jobs clearly affects "conditions of employment" and thus is subject to the collective bargaining process under the National Labor Relations Act.

THAT'S THE case whether or not the employer argues that the portion of his business being closed is a money-loser or

(Continued on Page 2)

Cotton Dust Retreat Sets High Price

By John R. Oravec

The Reagan Administration attempt to dismantle the federal cotton dust standard would exact a heavy human toll as well as stiff economic costs of $5 billion, the Clothing & Textile Workers told a House Labor subcommittee.

ACTWU's warning came in testimony protesting the Labor Dept.'s directive ordering a cost-benefit review of the three-year-old OSHA standard, which requires the industry to install engineering controls to reduce cotton dust levels in textile mills.

SCOTT HOYMAN, ACTWU executive vice president, charged that Labor Sec. Raymond J. Donovan's action is a "callous political ploy" to appease the "selfish interests of textile mill owners."

Hoyman said the attempt "to dismantle the standard constitutes a potential tragedy of immense proportions for the over half-million textile workers exposed to cotton dust on their jobs every day."

Prolonged exposure to high levels of cotton dust can cause brown lung, a debilitating respiratory disease that can be fatal.

The scrapping of engineering controls, ACTWU warned, would greatly increase the risks of contracting brown lung disease for some 50,000 textile workers.

AS ABHORRENT as the translating of the human toll to economic terms is, Hoyman said, he estimated that it would require $100,000 per victim in income support, medical expenses and administrative costs.

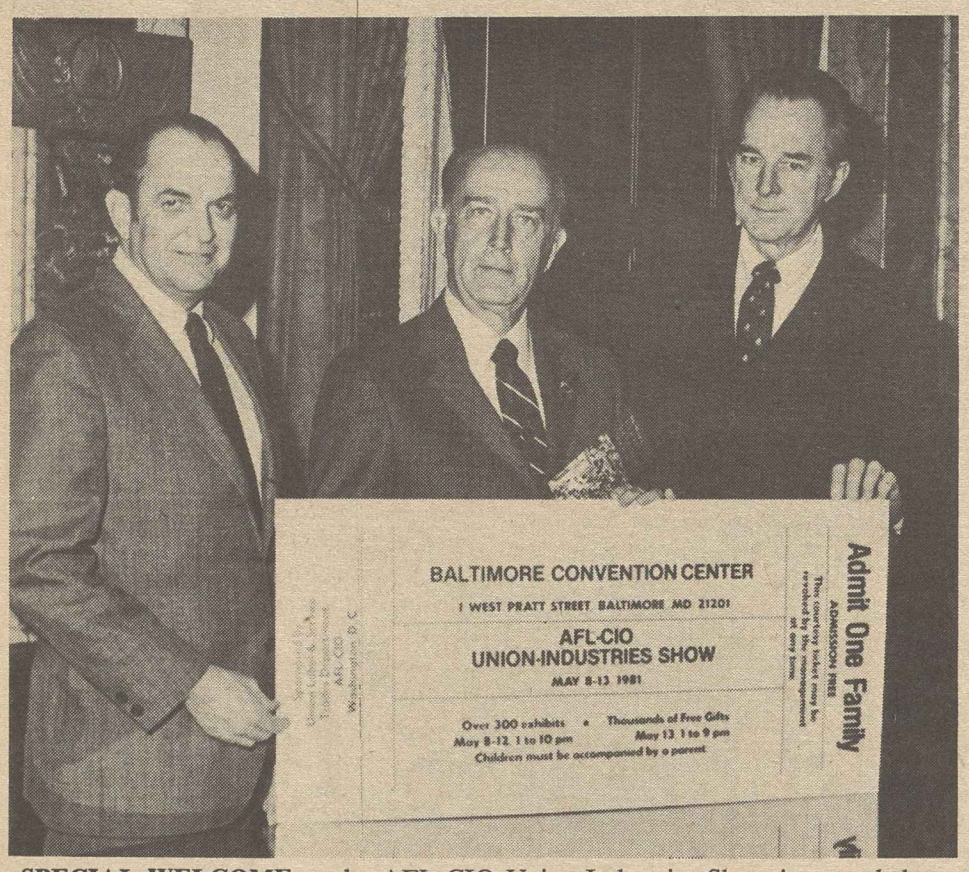
On that basis, he observed, "the price tag for the proposed change in the standard is $5 billion. This cost would have to be borne in large part by the federal Treasury, and does not even include the additional $382 million in workers' compensation costs imposed on employers."

George Perkel, occupational health consultant who accompanied Hoyman at the hearings, noted that an Administration regulatory reform task force official had suggested that performance standards might be more cost effective than provisions requiring engineering controls.

"THIS IS precisely what the textile industry has been saying ever since the cotton dust standard was proposed," Perkel pointed out.

Hoyman questioned the timing of the Labor Secretary's action against the regulation since the Supreme Court has a decision pending on the standard. ACTWU, the AFL-CIO and the Industrial Union Dept. have asked the justices to reject the Labor Dept.'s request that the court shelve

(Continued on Page 3)



SPECIAL WELCOME to the AFL-CIO Union-Industries Show is extended to Baltimore Mayor William D. Schaeffer, center, with the presentation of a giant family admission ticket by show manager John S. Lutz, left, and Baltimore AFL-CIO President Henry Koellein, Jr. This year's show, featuring some 300 exhibits, will be at the Baltimore Convention Center May 8-13. The shows are produced annually by the AFL-CIO Union Label & Service Trades Dept.

Plant-Closing Test

Court Asked to Uphold Bargaining on Shutdown

(Continued from Page 1)

that he was motivated solely by business considerations, the brief insisted.

Federal appellate courts have divided on the issue. But in the case being reviewed by the Supreme Court, both the National Labor Relations Board and the 2nd U.S. Circuit Court of Appeals agreed that the First National Maintenance Corp. violated federal labor law by its actions.

The firm abruptly ended its maintenance service arrangement with a Brooklyn nursing home, gave a three-day notice of dismissal to its 35 employees who worked full time at the institution, and refused to meet with representatives of District 1199 of the Retail, Wholesale & Dept. Store Union, which had recently been chosen as bargaining representative of the workers in an NLRB election.

THE MAINTENANCE firm told the union the arrangement with the nursing home was being discontinued "because of financial reasons." And an officer of the firm rejected a request for a meeting to discuss the situation with a brusque rejoinder, "We have nothing to discuss."

The AFL-CIO and the UAW maintain in their brief that the employer, indeed, has an obligation to join with the union in a good-faith effort to reach an agreement that would avoid the job loss.

If an agreement is not possible, the employer is then free to act unilaterally and the union has the right to take any legal "self-help" action that may be available to it, the brief noted.

IT CITED the experience of the UAW and Chrysler as well as cases involving other unions in which various concessions agreed to by workers resulted in reducing costs to a company, thus enabling an operation that had been losing money to continue.

"Experience demonstrates that labor and management can and do engage in productive negotiations over potential decisions to close plants and find ways to avert these closings, in a manner beneficial to the interests of each," the brief stressed.

"Frequently, ways to solve problems leading to closings are reached, but even if they are not, mutual understanding and trust are engendered."

The brief concluded that "free collective bargaining in the plant closing context works, just as Congress judged it would. Or, at the very least, the chances that it will work are good enough to make bargaining worthwhile."

ON THE legal precedents, the union brief noted that a comparable Supreme Court decision under the Railway Labor Act, whose pertinent language is identical to that of the NLRA, upheld the right of the Railroad Telegraphers to bargain over the issue of stations and discontinuance of jobs.

It would be a "cruel irony," the brief suggested, if in this case the Supreme Court were to hold that workers who had voted for union representation were entitled to negotiate with their employer over virtually all conditions of employment except for job security, which is often "their most pressing need."

OSHA Places Hold On Hearing Program

The Occupational Safety & Health Administration has delayed until June 1 a hearing conservation program that was scheduled to go into effect Apr. 15 for workers subjected to high levels of noise on the job.

Assistant Labor Sec. Thorne G. Auchter said the 47-day delay is needed to study numerous requests OSHA has received for interpretation, reconsideration and stay of the program.

The program was promulgated Jan. 16 by the outgoing Carter Administration as an amendment to the agency's 90-decibel noise limit standard which is seldom enforced.

Under the new program, employers would be required to provide hearing protectors, audiometric testing, training and monitoring for workers exposed to 85 decibels of noise.

Printers, Newspaper Guild Discontinue Merger Talks

The Newspaper Guild and the Typographical Union announced jointly that "after exploring every avenue that might lead to permanent and effective organic merger," the two unions have ended merger talks "without concluding a merger agreement."

At the same time, the unions pledged to "preserve and strengthen" their "good" relationships, to keep the "hot line" between their respective headquarters "unobstructed and responsive," and to continue and extend operations of longstanding task forces that have worked to encourage joint, coordinated and cooperative bargaining by locals of the two unions. The no-raiding agreement between the unions also remains in place, they said.

THE UNIONS made the joint announcement at the conclusion of a four-day meeting between their respective merger negotiation committees here.

Formal merger talks between the unions began in November 1977 after conventions of both unions authorized them. Each subsequent annual convention of each union renewed the charge to the committees to continue to seek to work out a proposal for merger.

"Despite these efforts, hard work and the best will in the world," the unions' joint statement said, "it has not been possible to resolve all the differences we have found in the existing structures, policies and practices of the two unions.

"Thus, we reluctantly conclude that these discussions should cease until new and fresh looks and approaches can be brought to bear on our unresolved problems."

AT THE SAME time, the unions declared that this conclusion does not lessen their belief "that unity of purpose and goals in the graphic arts and newspaper industries is vitally necessary—as is, one day," merger of the unions that represent the industries' employees.

Pledging continued pursuit of those goals, the statement said the "failure to reach a merger agreement denigrates neither the efforts invested by both parties nor the way in which our respective unions conduct their business."

"The disappointment over this result is unlimited, but so is our determination to strengthen the bonds between our two unions," the statement concluded.

R. W. Macfarlane Dies, Headed Idaho AFL-CIO

Boise, Idaho—Robert W. Macfarlane, president emeritus of the Idaho AFL-CIO, died Apr. 11 at his home here after a heart attack.

Macfarlane, who was 70, had been president of the state labor federation from 1967 until his retirement in 1979. He was a longtime member of the International Brotherhood of Electrical Workers and worked throughout the United States and Canada as a cable splicer. Macfarlane was serving as president of IBEW Local 449 in Pocatello when he was first elected to head the State AFL-CIO.

During his tenure, Macfarlane led the labor federation's 1971 fight for major improvements in Idaho's workers' compensation benefits and coverage and in defeating a 1977 campaign by anti-union forces for a "right-to-work" law.

After retiring from active office, Macfarlane continued to assist the State AFL-CIO in defeating another R-T-W drive and lobbied for senior citizens' programs in the legislature for the past two years.

Survivors include his wife, Hon, two children, five grandchildren and one great-grandchild. Services were held Apr. 14 in Boise.

Kirkland, AIFLD Applaud Arrest in Salvador Slayings

(Continued from Page 1)

day he was shot to consult with Viera on technical aspects of the land-redistribution program. Pearlman, who joined AIFLD only last May, was the resident American adviser to peasant unions involved in the agrarian reform.

William C. Doherty, Jr., executive director of the Washington-based AIFLD, which sponsored the American rural labor advisory program, said that despite the deaths of the three men "the land reform process is continuing at an ever increasing rate."

ISTA, the El Salvadoran government agency in charge of administering the reform program, is now issuing titles to sharecroppers transferring the expropriated land to them, he said.

DOHERTY NOTED that just last week, on Apr. 9 at a congress commemorating Viera, the Union Communal Salvadorena (UCS), the largest peasant union in El Salvador, ratified its support of the land-redistribution program, and pressed the Duarte government to accelerate the reform process. Viera headed UCS as well as ISTA at the time of his death.

Doherty said that he was elated by news of Christ's arrest, and gratified by the El Salvadoran government's persistence in pursuing the case.

"This is not a matter of revenge," he said. "It is a matter of defending the agrarian reform against the right-wing extremists who oppose a better deal for the peasants." He said that the investigation was continuing, but could not provide further details at this time. "We don't want to jeopardize the case," he added.

At the time of their deaths, Doherty said he believed that Hammer and Pearlman were the first American trade unionists killed in Latin America—possibly in the world—while carrying out their official duties abroad.

Labor Fights Move to Apply Extortion Law to Picketing

The AFL-CIO urged Congress to rebuff attempts by anti-union groups to nullify a 1973 Supreme Court decision and make picket-line scuffles subject to the heavy criminal penalties of a federal anti-racketeering law.

In a letter to representatives and senators, AFL-CIO Legislative Director Ray Denison said state and local laws are adequate to deal with flareups of violence or harassment that might occur during the course of a strike.

THE HOBBS ACT, dating to the 1950s, defined the circumstances when extortion or threats would be considered federal crimes. But Denison reminded the legislators that the Supreme Court made clear that the law did not "put the federal government in the business of policing the orderly conduct of strikes." It ruled that the Hobbs Act does not apply to actions that might occur during legitimate strikes for legal goals such as higher wages or pension benefits.

Denison protested that if the law is changed to apply the Hobbs Act to legitimate strikes, "almost any incident that occurs along a picket line" could subject strikers or union officials to penalties of up to 20 years in prison and $10,000 fines.

"The worker who threw a punch on the picket line or the striker who deflated the tires of his employer's truck would be subject to federal prosecution," he said.

FURTHER, Denison noted, a strikebreaker who threw the first punch could only be prosecuted under state law, but a striker in similar circumstances could be charged under the anti-extortion law.

Such a distinction is contrary to the basic labor law policy of "government neutrality and even-handedness" in enforcement, Denison protested.

As House Showdown Nears

Budget Coalition Drive Keyed to Grass Roots

(Continued from Page 1)

manding undeviating support of President Reagan's program.

With blunt frankness, the Conservative Political Action Committee explained why it was lavishly funding a series of television commercials attacking liberal Sen. Paul Sarbanes (D-Md.) as a big spender.

NCPAC CHAIRMAN John T. Donlan stressed at a news conference that the anti-Sarbanes commercials would be shown over Washington-area television stations. His organization expected they would be seen by other members of Congress who could "substitute their own names" for Sarbanes and perhaps have second throughts about voting against budget cuts.

At the Budget Coalition meeting, the discussion focused on the human impact of the proposed funding slashes and the work the various groups have been doing —simultaneous press conferences in key cities by women's groups, coordinated lobbying by Urban League affiliates, targeting of key congressional districts by Hispanic organizations, issue-oriented television commercials prepared by the State, County & Municipal Employees, research undertaken by Americans for Democratic Action, activities by the Catholic Charities, the National Council of Churches and Jewish groups, anti-hunger rallies and legislative conferences in Washington timed to have maximum impact on the budget votes.

AFL-CIO LEGISLATIVE Director Ray Denison, in a letter to state and local central bodies, stressed that only "a mass outpouring of anger and opposition at the grassroots level in every congressional district" can turn the tide away from "economic disaster."

The Budget Coalition lobbying effort will stress that the Administration's proposals "will accelerate inflation, destroy jobs, hurt the poor, the aged, children, the jobless and disadvantaged and preclude essential public investments and services that are needed to revitalize urban and rural areas as well as to create new jobs."

It will urge members of Congress to support amendments to restore funds for vital social and economic programs "so long as that amendment does not take funds from another program."

THE EXTENT to which amendments can be proposed to the budget resolution will be determined by the House Rules Committee at its Apr. 28 meeting.

The Senate, which got off to a fast start in budget-slashing by directing its legislative committees to rewrite existing laws to eliminate some $37 billion in spending authority, got temporarily sidetracked by a Republican ideological split.

The Senate Budget Committee had been expected to adopt a comprehensive budget resolution, based on Administration projections of outlays and revenues, including the impact of the three-stage tax cut the President proposed.

THREE OF THE most conservative Republican senators joined committee Democrats in voting against the budget because, they said, the President promised a balanced budget by 1984.

White House emissaries have been trying to persuade the GOP strays to change their votes and have promised that the Administration will at a later date propose further spending cuts that will achieve the balanced budget.

Despite the intra-party squabble, the coalition of nearly all Republicans and a large bloc of conservative Democrats in the Senate has given the Reagan Administration virtually everything it has asked for.



WIDE-RANGING ISSUES dealing with the pursuit of equal opportunities were explored at the annual five-day Civil Rights Institute at the George Meany Center for Labor Studies. Discussing the program during a break in sessions are, from left, AFL-CIO Civil Rights Director William E. Pollard, Carrie Wooden of the A. Philip Randolph Institute's Memphis chapter, Prof. Roy Kirkley of Rutgers University and Kathy Krieger of the Carpenters legal staff.

Kirkland Calls Budget Fight Civil Rights Issue of 1980s

America's painfully achieved progress towards social justice and equal opportunity is threatened by the Administration's "new economics," AFL-CIO President Lane Kirkland warned.

Kirkland challenged the rush to dismantle laws and programs without regard for the consequences in his keynote speech to a five-day AFL-CIO Civil Rights Conference held at the George Meany Center for Labor Studies.

"IF YOU want to know what the civil rights issues of the 1980s are, look at the President's budget proposals," Kirkland suggested. "They add up to an attempt to reverse the social progress that has been won by legislative and economic action over the last 50 years."

Kirkland said the budget-dictated dismantling is being done "in the name of economic theories that defy experience and common sense, without any semblance of compassion or regard for the common welfare."

The Administration would sacrifice half a million public service jobs, Kirkland noted, along with "job training programs administered by the AFL-CIO's Human Resources Development Institute and the employment and training arms of the Urban League and the NAACP."

He warned that "at a time when the Administration seeks to strengthen the role of America in the world, it risks dividing Americans at home."

Kirkland noted that the breakthrough civil rights laws of the 1960s were achieved largely through the coalition efforts of the Leadership Conference on Civil Rights.

Those groups are the heart of the Budget Coalition of 186 national organizations, Kirkland noted. "We have been joined by an extraordinary range of other voluntary organizations." And the cooperation must be duplicated at the local level, he urged.

"We need our local unions and central labor councils to take the lead in building the same coalition in their own communities," Kirkland said, "and to agitate, educate and organize until every union member, every member of the civil rights organizations, women's organizations, every organization we can reach, is contributing to the struggle."

THE LABOR movement won't be deterred from a maximum effort by those who "tell us the odds are against us, that it's a losing battle," Kirkland stressed. "Since when do we consult the bookmakers on what is right and what is wrong, what serves the interests of American workers and what hurts them?"

Unions, he urged, must "educate our members and their families to the issues that are at stake" and "enlist them as grassroots lobbyists."

It's the labor movement's "plain duty," he said, "to do our best to head off the disasters we see in the making."

Prevailing Wage Repealer Killed In New Mexico

Albuquerque, N.M.—Anti-worker forces lost another round when Gov. Bruce King (D) vetoed a bill calling for repeal of the state prevailing wage law. The veto cannot be overridden because it was handed down 11 days after the final legislative session had ended.

The measure to call back the state's Public Workers Minimum Wage Law had been sent to Gov. King in mid-March but did not reach his desk within 72 hours of the Mar. 20 adjournment of the regular session. Although a special legislative session was called through Mar. 29, King by law had until mid-April to act.

IN HIS VETO message, King, who had earlier rejected a "right-to-work" bill, said he killed the prevailing wage repealer "because I do not believe it would help the people of New Mexico, particularly our working men and women."

Also in March, a strong lobbying effort by Arkansas labor helped persuade the state house to bury a prevailing wage repeal bill in committee, but in Utah non-union contractors were able to rally the overwhelmingly Republican legislature to override Gov. Scott Matheson's veto of a repeal bill.

Measures to weaken state prevailing wage laws have apparently failed in Idaho, Montana and Indiana, according to the AFL-CIO Building & Construction Trades Dept.

MISSOURI'S law withstood a constitutional challenge earlier this year, but prevailing wage repealers or weakening amendments have been introduced in Illinois, Kansas, Nevada, Oklahoma, Texas and Colorado, the BCTD said.

Improvements in prevailing wage laws are being considered in Massachusetts, Minnesota, New York and Oregon.

AFSCME Official Gets New York State Post

New York—Lillian Roberts has been named New York State Industrial Commissioner by Gov. Hugh Carey. Roberts is associate director of State, County & Municipal Employees District Council 37, the major union of city employees here.

The nomination will go to the state senate's labor committee for confirmation.



OUTSTANDING EFFORTS of Eula Bingham to eliminate workplace health hazards while she headed the Occupational Safety & Health Administration were cited by the Urban Environment Conference. Presenting the conference's Philip A. Hart Award to Bingham is Steelworkers President Lloyd McBride.

High Cost Cited In OSHA Retreat On Cotton Dust

(Continued from Page 1)

its review of the standard as well as vacate an appeals court ruling that upheld the regulation.

Hoyman said that Donovan's action also "raises fundamental and disturbing questions about the ability of the Executive Branch of government to usurp congressional authority."

By ordering a review of the engineering control provisions, Hoyman charged, Donovan "is determined to find a basis for tearing out the very heart of the standard."

THE CLEAR intent of the federal job safety law was to eliminate toxic substances in the workplace, he stressed.

"Never did Congress seek to create a workforce encased in respirators and gas masks. Nowhere did it ask the Secretary of Labor to try to put a price tag on human life. The Secretary's efforts in that direction are a gross subversion of the legislative process," he told the panel.

The standard provides for the use of respirators until engineering controls are fully in place by Mar. 27, 1984.

Safety vs. Profits

THE RECENT ACTIONS of the Labor Dept. to abrogate its responsibilities under the Occupational Safety & Health Act raise serious questions about the Reagan Administration's understanding of the functions of the Executive Branch of the government.

Within the last month, the Secretary of Labor has withdrawn OSHA's proposed requirements for identification of hazardous chemicals used in the workplace and cancelled public hearings on the proposal. Ten years of painstaking study went into the development of the proposal which he dismissed, inaccurately, as a "midnight regulation."

The Secretary has turned back the clock on textile workers threatened by exposure to cotton dust by calling for new rule-making for a cotton dust standard to include "cost-benefit analysis," abandoning a pending Supreme Court test of the issue.

THE NEW ADMINISTRATOR of OSHA has issued an order withdrawing the agency's pamphlets and films on brown lung disease, which he admitted he has not personally reviewed, on the curious ground that the materials "favor workers."

Each of these moves reflects industry objections to the law and to its enforcement.

They show a fundamental misunderstanding of how our three-branch, representative system of government operates.

Our elected Congress has asserted every worker's right to a safe and healthful workplace. The law has been tested and upheld by the Judicial Branch.

The Reagan Administration, as the Executive Branch, is directed by the Constitution to "take care that the laws be faithfully executed." It cannot evade that responsibility because a business complains of the cost.

THE OCCUPATIONAL Safety & Health Act was enacted to protect workers from avoidable job-related hazards. It is clearly within the law's intent that workers be made aware of the potential risks of the substances they handle or breathe.

The achievements and the goals of this excellent law should not be negated under the guise of business-school jargon such as cost-benefit analysis, a thinly disguised ploy to cripple the effect of the law and the agency that administers it.

The responsible elements of the American business community surely cannot agree that it is an acceptable practice to trade off specified amounts of human suffering in exchange for maximizing profits.

THE AFL-CIO is committed to the effort to achieve strong federal standards that require industry to provide clear identification of hazardous substances, to provide textile workers with a clean, safe environment, and in general to provide for all working people the safe workplace that the law requires.

Given the realities of the blatant bias with which worker safety and health are apparently going to be treated, however, we will urge our members to use every means available—state legislation, legal proceedings, and contract language—to assure that no American worker must be forced to decide between a life and a paycheck.

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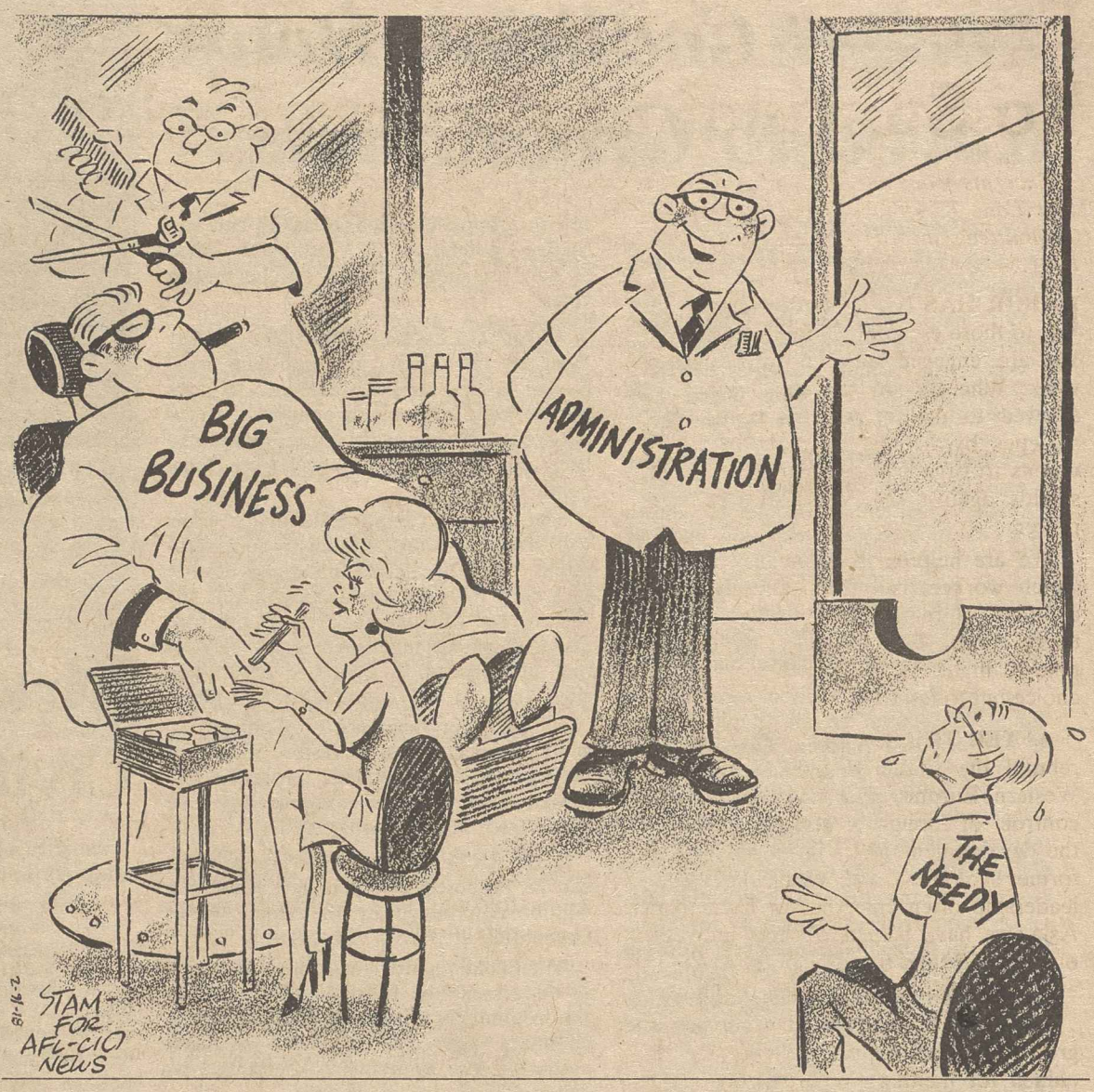
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'You're Next!'



Equity in Suffering

New Political Concept to End 'Discrimination' Against Rich

By Gus Tyler

WILSON HAD his New Freedom; Roosevelt had his New Deal; it may now be proper to propose a New Equality.

The New Equality would deny favors to all, regardless of how rich or poor. It would wipe out discrimination between old and young, men and women. It would treat all alike.

As yet, this concept has not been spelled out. But if some of the new egalitarians have their way in Washington, we may soon expect legislation embodying a few of these leveling proposals:

Both rich and poor shall be denied food stamps.

No one is entitled to welfare, regardless of income.

Both men and women shall be denied sick leave when they are pregnant.

NO ONE SHALL be entitled to free legal services, no matter how affluent or non-affluent.

No student in America shall be given financial aid for college, even if his or her parents are millionaires.

Medicaid will be extended to all those who are prepared to pay 50 percent of the bill out of their own pocket or out of private insurance policies.

All families will be taxed alike, a flat 30 percent of their income. But no one will be taxed at all—rich or poor—if he or she in any one year invests $1 million.

THE SOCIAL security system shall be abolished since it gives one section of the population, those over 65, favored treatment over those who are younger. Age—like sex, race, religion, or income—should not be the basis of special benefits.

Likewise, the unemployed should not receive jobless pay, since to do so would once more favor a few who are indulging their indolence.

No one may join a union since to do so would allow one group in society to win benefits that are denied to those who prefer not to join a union.

No one is entitled to rent supplements even if he or she pays $2,000 a month in rent.

There shall be no minimum wage since it forces people to work at higher wages than they desire. To insist that a person earn at least $3.35 an hour when he or she prefers to work for 50 cents an hour is tyranny.

THE BLIND, the handicapped, the disabled should not get special treatment since to do so is to discriminate against those who are not fortunate enough to possess these traits.

The government will supply no free lunch to any student, including those at Groton or Princeton.

No one may beg or sleep in the city streets.

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'Indifference the Silent Crime of the Civilized'

I am deeply honored by this award. Yet, in all honesty, I must question my right to it.

To have run the gauntlet of the two major tyrannies of our time is not in itself an achievement. To be a victim is not to be a hero.

I plead guilty to that for which I was condemned by one regime: the offense of being Jewish. I was and am certainly guilty of that for which I was denounced and arrested by another: the offense of holding and expressing opinions of my own.

I am luckier than most such offenders of my time in finding a life where neither offense is a mortal crime, within reach of an all-powerful state.

Who knows how many real or potential heroes there were among the 6 million Jews destroyed in Europe? Who knows how many real heroes have sunk to the bottom of the China Sea . . . perished in the African bush . . . been lost in the Caribbean . . . vanished into the Gulag?

It is for them that I accept this award. And for those who survived only to find themselves rejected by the family of man.

Indifference is the silent crime of the civilized, the refusal to recognize the human bond, the denial that another's agony is our own.

—From acceptance speech by Irena Kirkland at awards presentation dinner of the International Rescue Committee, New York, Apr. 9, 1981.

Kirkland Stresses Link

Freedom of Association Basic To Survival of Human Rights

Excerpts from an address by AFL-CIO President Lane Kirkland to the International Rescue Committee's awards dinner, New York, Apr. 9, 1981.

LABOR HAS NOT been content to give refuge to those escaping from jailer and killer states. We are engaged as well in refugee-prevention work. Wherever in the world we are asked or allowed to do so, we are trying to humanize societies by helping free and democratic trade unions to organize and develop their strength as shields against the abuse of public or private power.

We are helping to create instruments through which workers can free themselves through the conquest of fear; through which they can effectively choose to stand their ground rather than take to flight. Without such a force, there is no choice but to fall or fly.

AFTER THE Second World War, we helped to rebuild the shattered free labor movements of Western Europe, and to keep them out of the control of foreign totalitarian power. We aided the development of trade unions in the liberated former colonies, and from that base national leadership often emerged. In Latin America and Asia, we have helped workers' movements hang on for the future, through all the cycles of assorted autocratic political or military regimes.

We have been criticized on many shifting grounds from many quarters. We have been chided for inciting simple workers to take risks, where an element of risk, knowingly faced, is their only chance for human dignity and a decent life. Where fear is the master, to give in or pander to fear is to conspire in the death of hope.

Why, after all, should the Communist Party, for use where it suits its purposes, have exclusive title to that grand old slogan: "It is better to die on your feet than to live on your knees"?

When the workers of Poland appealed publicly for essential material aid in the organization of an independent labor movement, our response was a natural one. Those workers do not seek to supplant the ruling party of that state, nor would we urge or encourage them to do so. They simply want their own independent trade union organization, of, by and for the workers.

THEY ARE PURSUING their version of an old biblical instruction: "Render unto Caesar that which is Caesar's, and unto labor that which is labor's."

That demand, to which the government of Poland committed itself as an obligation subject to international scrutiny when it ratified ILO Convention No. 87, and affirmed by written agreement with Solidarity last August, is the ultimate test of whether it is or ever will be possible to humanize a communist state.

We acknowledge and recognize the odds and risks confronting Solidarity; but if the workers of Poland seek of their own volition to challenge those odds and accept those risks, we would be the last to dissuade them. We shall certainly not compound their risks or raise the odds by any failure on our part to meet their stated needs.

The object is surely worthy of the odds, for if Solidarity endures and thrives the world will never be the same again, and that will be for the good of all. The abstract delusive question of the ownership of the tools of production will be disengaged, as it should be, from the over-riding issue of human freedom. All the channels of amity and commerce should be open to any regime where people who work can live in dignity and, in the words of George Meany, the "little guy can't be pushed around."

THE ELEMENTS of a decent human life that flow with logical force from free trade union organization in such a setting emerged quite clearly in the first meeting between Solidarity and the Polish government during the Gdnask strike last summer.

The government said, in effect: "Let's talk about wages and working conditions." Solidarity replied: "No, let's talk about freedom of association, freedom of worship, a measure of press freedom, and freedom from arbitrary arrest and detention."

Any American can, of course, recognize in those demands the basic principles of our Bill of Rights. Any American trade unionist will sense the common strain with Samuel Gompers's evocation of the goals of labor, when he said:

"What does labor want? It wants the earth and the fulness thereof. There is nothing too precious, there is nothing too beautiful, too lofty, too ennobling, unless it is within the scope and comprehension of labor's aspirations and wants. . . . We want more constant work and less crime; more leisure and less greed; more justice and less revenge. . . ."

Recently when a journalist asked Lech Walesa whether Solidarity was not over-reaching so as to threaten international stability by going beyond pure "bread and butter" issues, he replied: "Life has forced us to become involved in these matters, because somebody has to be."

TODAY IN AMERICA there is a debate as to the role of government in the assertion abroad of policies in support of human rights—whether such a course should be pursued at all, or more consistently and forcefully, or simply abandoned. In all frankness, I cannot say that either the past or present government posture has properly addressed the issue.

I would strongly urge that the universal principle of freedom of independent association be made the cornerstone of a human rights policy. The presence, absence or degree of that quality in a society should override considerations of whether one scoundrel or clique in control of the reins of state ought to be replaced by another scoundrel or clique.

300,000 Face Layoff

Proposed Cut in Jobs Program Threatens Key Public Services

ADMINISTRATION PLANS to drop 300,000 CETA-program workers pose a severe threat to the quality and level of state and local public services, and add new pressures to the nation's already hard-pressed welfare and unemployment compensation systems, AFL-CIO Associate Legislative Director Robert McGlotten warned.

Pointing out that large numbers of the workers targeted for layoff are working in child care and community development programs, as well as support services for fire and police protection, McGlotten said that many cities now face a hard choice between reducing needed public services or increase taxes. This is a grave problem for the cities, particularly the major cities of the Northeast and Midwest, he declared.

Questioned on the network radio interview Labor News Conference, McGlotten said the Administration's plan to slash CETA jobs is "inconsistent with its call to cut back federal involvement in a number of social programs." He said a recent University of Chicago analysis of the proposed CETA job cuts showed that at least "one-third of the people in public service jobs had previously been receiving other forms of public assistance," and that when the layoffs come, "practically all of them will have to go back on welfare."

McGLOTTEN DISAGREED sharply with the contention of some Administration officials that the laid-off CETA workers will "move into other jobs quickly." He stressed that with 7.8 million workers already on the jobless rolls, and with the nation's industrial capacity operating at only 80 percent of its potential, it is unlikely that private sector employers are going to expand payrolls.

Washington Window

By Press Associates, Inc.

THE LEGISLATIVE GEARS of the 97th Congress should mesh very smoothly because they are very well oiled.

According to an analysis by the National Committee for an Effective Congress, 190 oil and gas company political action committees (PACs) poured $6 million into House and Senate races in the 1980 elections.

In the view of NCEC Director Russell D. Hemenway, "This type of massive expenditure by a selfish special interest poses a real threat to our political process and the well-being of every American."

The fact is, he added, the oil and gas PACs outspent the national Democratic Party committee.

THE OIL COMPANIES may compete for the consumer's dollar in their advertising, but they apparently worked in unison in channeling their political money.

"Not only did the oil and gas crowd try to buy the influence and support of key committee members. They spent huge sums to defeat key progressive senators and congressmen who tried to protect the consumer and consistently voted in the best interest of all Americans," Hemenway said.

The NCEC analysis showed that 23 Republicans and five Democrats in Senate races received more than $20,000 each from oil and gas PACs. Standing alone in the six-digit class were four hardline Republican conservatives who knocked off four liberal Democratic senators.

James Abdnor received $152,509 in defeating Sen. George McGovern in South Dakota. Charles Grassley got $177,880 to help him beat Sen. John Culver in Iowa. Dan Quayle received $134,534 and ousted Sen. Birch Bayh in Indiana. Steven Symms got $167,700 and beat four-term Sen. Frank Church in Idaho.

The oil/gas PACs directed money into a large number of marginal House seats and in key House races in which one member above all that they marked for extinction. That was Rep. Bob Eckhardt of Texas, a fighter for consumer interests. The oil/gas PACs poured $102,911 into the coffers of challenger Jack Fields, by far the largest amount given to a House candidate and Eckhardt went down to defeat.

THE NCEC STUDY showed that, of the House incumbents who received more than $5,000 from oil/gas PACs, 40 percent had committee or subcommittee assignments of major importance to the industry. That is, they were on Commerce and Energy, Interior or Ways & Means. Another 20 percent were on panels of secondary importance, such as Science and Technology, Merchant Marine or Public Works.

In the 96th Congress, NCEC noted, these committees considered such legislation as the windfall profits tax, the Alaskan Lands Act, the toxic waste superfund and the transport of natural gas.

The Democratic Study Group, which includes most liberal and moderate Democrats in the House, recently issued a report on oil company profits which is mind boggling.

THE DSG REPORT noted that, while the national economy showed no growth last year, the 20 biggest oil companies had a total net profit of more than $29 billion, a 30 percent jump over their record profits of 1979.

The DSG quoted a Business Week magazine analysis which said the oil companies are on the verge of overwhelming the industrial economy. In 1972, oil firm profits made up only 15 percent of the profits of some 9,000 manufacturing corporations surveyed by the Federal Trade Commission. In 1978, this edged up to 18 percent. But by mid-1980, the oil company share of profits jumped to 40 percent and was rising in a generally stagnant economy.

The DSG report said an analysis showed the top 20 oil companies spent only 38 percent of their "cash-flow" on exploration and production in 1979. The rest was spent on chemical production, marketing and buying up other companies.



HARD CHOICE between reducing vital public services or boosting taxes faces many American cities if the Reagan Administration's plan to drop 300,000 CETA jobs gets congressional approval, AFL-CIO Associate Legislative Director Robert McGlotten, center, warned on Labor News Conference. He was questioned by Robert Cooney, left, of Press Associates, Inc., and Doug Harbrecht of the Scripps-Howard Newspapers.

The Reagan Budget

Impact on Public Employees



DEMONSTRATING POSTAL WORKERS display the frustrations felt by million of government employees at all levels from cutbacks in funds for public services. The Reagan Administration's "economic recovery" program would severely curtail the quality and amount of public services and increase the tax burden on middle-income and lower-income working Americans, the AFL-CIO Public Employee Dept. charges.

Government Workers Used As Scapegoats for Cutbacks

Although the poor and the elderly will suffer from President Reagan's proposed budget cuts, millions of working Americans also will pay higher costs for public services they have come to expect and take for granted.

Translating the impact of reduced or lost government services on the wallets of union members, in fact, is the biggest challenge union officials face.

THE ADMINISTRATION and its supporters in Congress, unfortunately, are selling the notion that government and public employees are responsible for the sagging economy and runaway inflation.

Federal and postal workers are singled-out in particular by the conservative budget-cutters. About 15 percent of the cost of the President's program will fall directly on them.

More than 100,000 federal jobs will be cut in every non-defense agency by reductions-in-force over the next two years. What do these job cuts mean to industrial, service or construction workers?

THE OCCUPATIONAL Safety & Health Administration is just one example. The $15 million proposed reduction in OSHA's budget will result in 9,000 fewer on-the-job inspections. Similar cuts are projected in federal monitoring programs for such industries as food, and drugs, mine and grain inspections, and so on.

In addition, Alfred M. Zuck, assistant secretary of labor for administration and management, has announced that there will be "some reductions" in inspections to enforce the Davis-Bacon prevailing wage law. Add to that list child labor, wage and hour, age and sex discrimination and a host of other federal protective labor laws.

The U.S. Postal Service is widely recognized as one of the most productive federal activities. But nearly $600 million in public service subsidies are slated to be eliminated.

PRESIDENT MORRIS Biller of the Postal Workers warns that 40,000 postal jobs will be lost. The continued existence of small and rural post offices is threatened.

The end of six-day delivery, increased costs for charitable and labor publications and slower mail processing are harmful effects cited by Letter Carriers President Vincent Sombrotto. Mail Handlers President Lonnie Johnson shares similar concerns.

The list of other service reductions and examples of indirect costs to taxpayers of the Reagan program are numerous. But past experience has shown that personnel ceilings and federal job cuts have never really saved money for the government.

MANY MEMBERS of the American Federation of Government Employees, for instance, employed in small social security district offices regularly work nine, ten or 11-hour days to meet processing demands. They report that most of the errors that create public dissatisfaction are caused by poorly trained part-time workers.

Postal union leaders cite the same problems of increased payroll costs resulting from overtime and unsatisfactory performance by part-time workers.

The ultimate in senseless contracting-out was reached recently when Education Sec. Terrel H. Bell announced that 565 federal loan collectors will be laid off. Their record of collecting defaulted student loans is better than 90 percent. But their jobs will be contracted to the private sector, which normally charges 50 cents for every dollar collected. Federal workers returned $3 for every $1 in cost to tax payers.

The material on this page analyzing the impact of the Reagan Administration's economic program on public services and government workers was prepared by the officers of the AFL-CIO Public Employee Dept. It is one of a series planned by the AFL-CIO News.

THE REAGAN Administration seems to have embarked on an all-out attack on the pay and fringe benefits of federal and postal workers. These plans include:

- Slashing federal white-collor raises to about 4 percent.
- Radically changing the retirement system, including a reduction in cost-of-living adjustments.
- Wiping-out the current white-collar and blue-collar pay systems.
- Drastically weakening the federal and postal employees injury compensation program.

The AFL-CIO Public Employee Dept. is warning that President Reagan is offering the American people nothing more than the classic right-wing "Business Deal." The fine print spells out the price the disadvantaged will pay, which means that an even greater financial burden will fall on millions of middle-income wage earners.

Cost-Benefit Approach Aims To Wipe Out Public Services

A significant aspect of President Reagan's economic theories is the application of cost-benefit analysis to government regulations, which ultimately will only benefit business and cost American consumers plenty.

Like many other "Reaganomic" theories, cost-benefit analysis is simple to understand: just measure the cost to industry of complying with federal rules against the benefits received by the people. If the costs outweigh the benefits, the regulations must be inflationary, right?

BUT NO ECONOMIST has yet developed cost figures for the human savings resulting from federal regulations applied to air and water, job safety and health or private sector pensions.

Only after a disaster has occurred—one that might have been prevented by stronger federal action—can the human suffering be counted. Examples are legendary: deaths from asbestos; injuries because of unsafe automobiles, deformed babies caused by dangerous drugs, and so on.

Yet, a Presidential Task Force on Regulatory Relief—consisting of the Vice President and high-ranking cabinet officials—is now using cost-benefit analysis to review the entire government's regulatory policies. So far, the benefits to industry, and the cost to workers, include:

- Suspension of Occupational Safety & Health Administration rules that chemicals in the workplace be labeled and cotton dust standards be enforced.
- Elimination of national energy efficiency standards for major household appliances.
- Revocation of an extension of Davis-Bacon "prevailing wage" principles to timber sales, automatic data processing, and research and development firms under contract to the federal government.

A comprehensive review is underway of the regulations of 14 "key" Executive Branch agencies, including the Departments of Labor, Health & Human Services, Justice, Treasury and Agriculture.

These departments administer laws ranging from mine, wage-hour, meat and food inspections, to consumer product, drug, job safety and civil rights protections. Their effectiveness will be challenged by the budget-cutters.

PRESIDENT REAGAN also promises that "during the coming weeks and months agencies will be conducting intensive reviews of many existing and proposed regulations—at their own initiative, and in response to requests from the Task Force on Regulatory Relief."

The President's support of the business-led attack on OSHA is an example of the regulatory review American workers can expect from the task force.

The right-wing myth that government —and government workers—are the causes of all our domestic and international problems is thus perpetuated. But American demand that public services be performed in response to needs that the private sector is either unwilling or unable to provide.

ENERGY CONSERVATION, inflation and unemployment are a few of the national problems requiring a response from the federal government. Mass transit aid, subsidies to the postal service and technological research spending are examples of federal programs that do not cause inflation.

Attacking public employees may sound heroic, but government is not the enemy of the people. The Reagan program promises to get the government off the back of the corporations and the rich, while leaving working Americans to foot the bill.

President's Plan Burdens Cities, Schools

President Reagan's so-called economic recovery program will result in a drastic shift of the tax burden on already hard-pressed middle-income and lower-income Americans for essential state and local government services.

An analysis of the proposed federal budget cuts reveals that more than $35 billion, about 65 percent, will fall on programs that serve millions of working men and women through state or local governments.

But President Reagan's program poses a particularly damaging threat to the quality of education in this country. He is proposing to reduce aid to elementary and secondary schools by $2.2 billion out of the $7.2 billion now in the budget.

FEDERAL GRANTS that go to local school districts and states to help the disadvantaged, the handicapped and others will be cut $1.5 billion. Impact Aid operating funds that now go to 4,500 school districts will be cut $474 million and will be available to only 300 districts.

These cuts will mean a loss of $22 million to New York City alone, $4 million to Chicago, $3.5 million to Philadelphia, $5 million to Los Angeles, $1 million to Boston.

Also recommended is a 25-percent cut, about $220 million, in funds for vocational education programs to train students for career jobs.

The numbers represented by these budget cuts translate into larger classes, less help for poor learners and less attention to the gifted. There will be fewer teachers, counselors, paraprofessionals and other school workers.

IN ADDITION, President Reagan is planning to provide remaining federal, state and local aid through state "block" grants, with no restrictions or requirements in their use.

But wide-ranging reductions are planned in federal aid to cities:

- A severe cutback in housing and federal mortgage loan programs.
- Elimination of the Economic Development Administration, which funds many public sector construction projects.
- Elimination of more than 300,000 public services jobs under the Comprehensive Employment & Training Act.
- A $1-billion cut in highway programs and larger cuts for Conrail and Amtrak.
- Phaseout of mass transit operating subsidies, with a cut of $103 million in fiscal 1982 and a reduction of $950 million for bus purchases and other capital improvements.
- A reduction of $1 billion in FY 1981 and $3.6 billion the next fiscal year for water and sewer improvement projects funded by the Environmental Protection Agency.
- Elimination of the Solar & Energy Conservation Bank, with a $1 billion cut in the programs it finances.
- Elimination of the Urban Parks program.

These are just a few of the programs that benefit working Americans and their children. Added to the list are the social programs for the unemployed, the poor, the elderly and disabled, and other politically weak groups in society.

As a consequence, Americans can expect to pay more to commute to work, higher property taxes, user fees for services that were once free, increased costs for government inspection fees and so on.

The ultimate effect of the Reagan program is that, one way or another, working people will end up paying the bill.

High Jobless States Grow From 5 to 18

The number of states with unemployment rates of at least 8.5 percent more than tripled between February 1980 and February 1981, the Bureau of Labor Statistics reported.

Jobless rates were 8.5 percent or higher in 18 states last February, compared with five states a year earlier. The data are not adjusted for seasonal fluctuations. The unadjusted national jobless rate for February 1981 was 8 percent, or 1.2 percentage points above the year-earlier level.

BLS also reported that there were 83 metropolitan areas with jobless rates of 8.5 percent or higher in February 1981.

Of the 18 states with jobless rates above 8.5 percent, seven had rates higher than 10 percent: Delaware, Michigan, Ohio, Oregon, West Virginia, Alaska, and Kentucky. Michigan posted the highest rate, 14.2 percent, followed by West Virginia, 11.9 percent, and Delaware, 11.1 percent.

SEVEN STATES had jobless increases of at least 2 percentage points over the year—Delaware, Michigan, Ohio, Oregon, West Virginia, South Carolina, and Wisconsin.

"Employment declines in construction and durable and nondurable goods manufacturing affected almost all of the seven states with large over-the-year unemployment rate increases," BLS said. "Smaller declines in transportation and public utilities and wholesale and retail trade also affected most of these states, especially Michigan and Ohio."

Jobless rates rose by 1 percentage point or more over the year in 117 of the 220 metropolitan areas for which data were reported for both years, BLS said. Jobless rate increases of at least 2 percentage points occurred in 45 of those areas.

The unemployment rate rose by more than 5 percentage points during the year in Kenosha and Racine, Wis.; Muskegon, Mich., and Youngstown-Warren, Ohio, as employment in durable goods industries continued to decline. Jobless rate decreases of 1 percentage point or more over the year were reported in five areas.

New Tax Bill Meets Labor's Fairness Test

(Continued from Page 1)

would be channeled through a reconstituted Reconstruction Finance Corp. which would invest both public and private funds and guarantee loans to help strengthen the nation's industrial base.

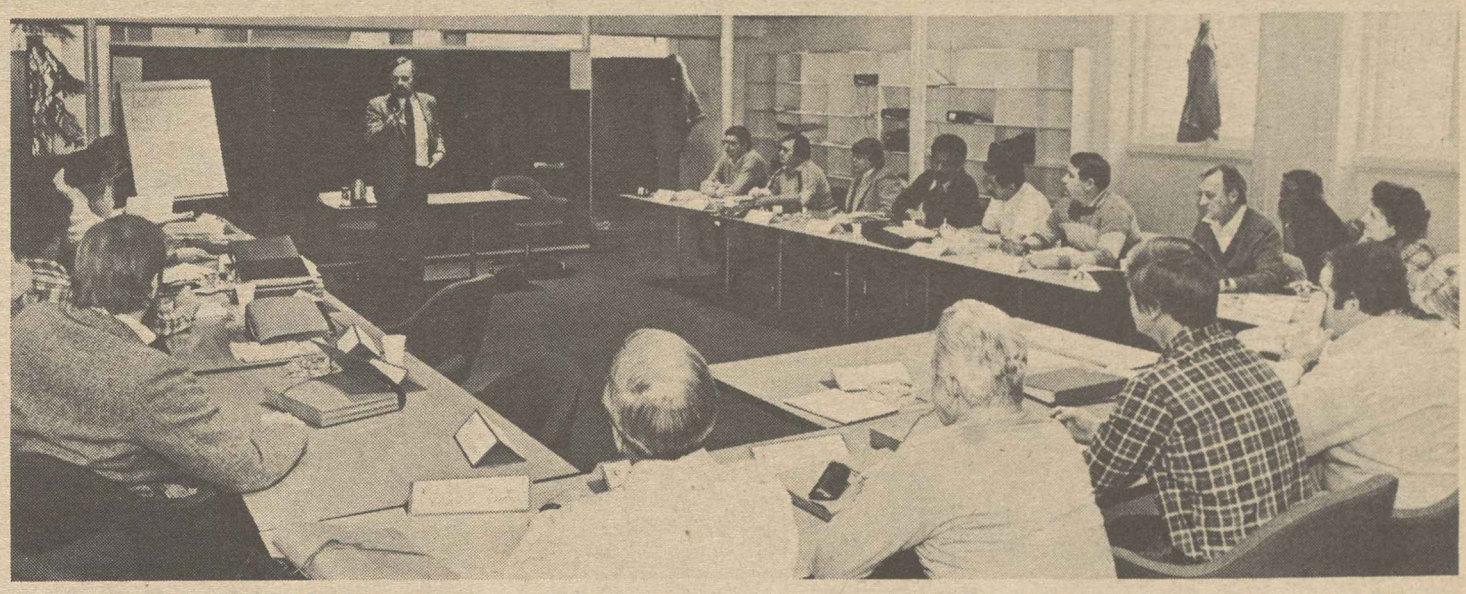
Funds to help modernization or expansion would be provided when this would expand employment opportunities and productivity, strengthen the ability of domestic industries to compete with imports, or assist U.S. firms that have problems meeting government-imposed costs.

The Guarini bill would authorize $5 billion to the RFC for non-tax assistance, such as loans and interest subsidies, and provide another $5 billion in tax subsidies such as refundable investment tax credits and various depreciation allowances—but only to further the reindustrialization goal.

IT WOULD include an "anti-pirating" safeguard so that federal aid would not be misused to subsidize the moving of production and jobs from one part of the country to another, plus Davis-Bacon Act safeguards.

At House Ways & Means Committee hearings last month, AFL-CIO President Lane Kirkland protested that the Administration plan would feed inflation and reduce the nation's public resources by giving "huge benefits" to already prosperous firms without any assurance added revenues will go to productive investment.

The added cash flow to business, he said, could just as easily be used "to buy up other companies" or to finance "relocations that destroy jobs and blight local communities."



UNION ORGANIZERS sharpened their skills during a three-week session at the George Meany Center for Labor Studies conducted in cooperation with the AFL-CIO Dept. of Organization & Field Services. Leading the group discussions in this class is Dick Wilson of the federation's organizing staff. Twelve unions sent organizers.

Organizers Hone Techniques at Studies Center

Organizers from 11 AFL-CIO affiliates and the Auto Workers have completed three weeks of advanced training at the George Meany Center for Labor Studies.

The institute sought to develop new, more effective methods of educating unorganized workers and helping them form unions and win recognition in the face of strong opposition from employers and the growing use of union-busting consultants.

The class in advanced organizing techniques drew 25 experienced organizers assigned to participate by their international unions and two AFL-CIO staff organizers.

CO-SPONSORED by the AFL-CIO Dept. of Organization & Field Services and the studies center, the class used as a learning device a detailed case history of an actual organizing campaign that took three years. Participants then wrote case histories based on their own experiences and detailed crucial events in the campaigns.

The class heard presentations on successful organizing techniques for organizing developed by the Mike Lucas of the International Brotherhood of Electrical Workers, Jack Howar of the Steelworkers, Richard Rothstein of the Clothing & Textile Workers, Michael Wood of the Boilermakers, Jeff Fiedler of the AFL-CIO Food & Beverage Trades Dept. and Robert Muehlenkamp of the National Union of Hospital & Health Care Employees, Local 1199 of the Retail, Wholesale & Dept. Store Union.

KATHY KRIEGER, assistant general counsel for the Carpenters, discussed National Labor Relations Board procedures and approaches in dealing with the board.

Instructors included William Roehl and Dick Wilson of the AFL-CIO organizing staff, and Russell Allen, Harry Millstone, Marjorie Rachlin and Gordon Cole of the Meany Center.

Randolph Memorial Fund Launched to Sustain Institute

New York—Norman Hill, president of the A. Philip Randolph Institute, has announced the establishment of an A. Philip Randolph Memorial Fund. Hill said the fund will serve to "keep alive the legacy of Mr. Randolph and to ensure that the organization which bears his name is able to successfully sustain and expand its work in the struggle for social justice."

The Randolph Memorial Fund will seek support for Randolph Institute activities in the areas of black voter participation, community affairs, and trade union involvement. It will solicit both individual and organizational support from sponsors who will be awarded certificates of participation in return for their financial contributions, Hill said.

FUND-RAISING activity will focus initially on generating support from the thousands of union locals whose members actively participate in the Randolph Institute.

Establishment of the memorial fund was announced Apr. 15 on what would have been Randolph's 92nd birthday. He helped to create the institute while serving as president of the Sleeping Car Porters and as an AFL-CIO vice president.

"We can think of no more appropriate commemoration of Mr. Randolph's birthday than the establishment of a fund which will continue to promote increased black participation in the labor movement," Hill stated.

The A. Philip Randolph Institute is composed of some 18,000 trade unionists organized in more than 150 affiliates in 36 states and the District of Columbia. The institute carries on a trade union intern program which trains blacks to assume leadership positions in the labor movement, publishes a bimonthly newsletter, sponsors an occupational safety and health program and conducts voter participation campaigns in electon years.

Contributions to the fund may be sent to the A. Philip Randolph Memorial Fund, 260 Park Avenue South, New York, N.Y. 10010.

Congress Urged to Reverse Cuts in Low-Income Housing

Low-income housing programs should be expanded, not cut back, the AFL-CIO urged at hearings held by a subcommittee of the House Banking, Finance & Urban Affairs Committee.

Henry B. Schechter, director of the AFL-CIO Office of Housing & Monetary Policy, was sharply critical of Administration proposals to reduce already inadequate program levels.

THE ADMINISTRATION has asked Congress to rescind existing budget authority so as to reduce the number of low-income rental units that could be supported in the present fiscal year from 255,000 to 210,000, and to cut the fiscal 1982 funding level from 260,000 to 175,000 units.

Schechter urged the panel to reject any cut in current budget authority. A bill by Subcommittee Chairman Henry Gonzalez (D-Tex.) to support 250,000 units in fiscal 1982 is "a welcome step forward" from the Administration position, he said, but a 300,000 figure would be more adequate.

The housing shortage has inflated home prices and rents, Schechter said, causing "hardship to families of limited income" who can't afford high-priced homes and see rental units converted to expensive condominiums. About 1.5 million families are living doubled up with other households, he noted.

The AFL-CIO statement welcomed a section of the Gonzalez bill dealing with rural housing programs as "a substantial improvement over the Administration proposals."

Schechter also applauded Gonzalez for not going along with the Administration's budget proposal that would require tenants of subsidized housing to pay 30 percent of their income instead of the current 25 percent.

"THIS WOULD directly affect the poor who are least able to cope with today's high prices," he said. "It would also create more rent collection and management problems in subsidized housing projects."

Schechter welcomed support in the Gonzalez bill for the Community Development Block Grant and Urban Development Action Grant programs. They are essential to improvements in public facilities that are needed to support private economic development in areas suffering from high unemployment, he testified.

Right-Wing TV Blitz Aims At Foes of Budget Slashes

The National Conservative Political Action Committee, which pumped huge sums into "negative campaigns" against liberal Democratic senators in the last election, has announced a new "hit list."

The right-wing group says it has budgeted $1 million for television commercials against Democratic critics of President Reagan's economic programs.

Its two chief targets are House Majority Leader Jim Wright of Texas, who will face a $450,000 media attack, and Sen. Paul Sarbanes of Maryland, the target of a $400,000 negative advertising budget.

Sarbanes, who will be up for re-election next year, voted against the budget reconciliation bill that included the Reagan Administration program cuts, and one of the television commercials scheduled to be shown features the disapproving reaction of a professional actor outfitted as a construction worker.

Also targeted are House Ways & Means Committee Chairman Dan Rostenknowski of Illinois, whose tax cut proposal differs somewhat from that of the Administration, and House Budget Committee Chairman Jim Jones of Oklahoma who, ironically, has generally voted with the conservative wing of the party. But he, too, declined to rubber stamp Reagan's proposals.

Kirkland Urges Policy

Free Association Seen As Test of Human Rights

New York—The right to freedom of association should be made the cornerstone of America's human-rights policy abroad, AFL-CIO President Lane Kirkland declared in a speech here.

"Freedom of association should be openly and forcefully promoted through appropriate instruments and avenues," said Kirkland, "and that should constitute the essential vehicle of social progress and the vital shielding and humanizing force between men and master.

"INDEPENDENT association is the means by which plain people gain and assert their rights as against the state and other strongholds of raw power in human society."

Kirkland's remarks followed the International Rescue Committee's 1981 Freedom Award presentation by IRC Chairman Leo Cherne to the AFL-CIO president and his wife, Irena, for their contributions toward relieving the plight of the world's refugees and to the cause of human freedom.

The award cited Kirkland's leadership and achievements over many years in behalf of refugees escaping from political, religious, and racial oppression. Mrs. Kirkland, herself a refugee from Czechoslovakia, has had a significant role in support of the refugee cause. Past Freedom Award recipients include Winston Churchhill, Gen. Lucius Clay, David Dubinsky, Hubert H. Humphrey, Gen. William B. Donovan, Jacob K. Javits, and Kirkland's predecessor as AFL-CIO president, George Meany.

KIRKLAND NOTED that there is a debate in America today as to the role of government in the assertion abroad of policies in support of human rights—whether such a course should be pursued at all, or more consistently and forcefully, or simply abandoned. Neither the past nor present government posture has properly addressed the issue, he said.

"The presence, absence or degree of freedom of association in a particular society should override considerations of whether one scoundrel or clique in control of the reins of state ought to be replaced by another scoundrel or clique," Kirkland declared.

He noted that there is a more than ample legal basis for the aggressive pursuit of such a policy and practice, and "ILO Convention No. 87 on freedom of association provides its most concrete and detailed expression."

THE WORKERS in Poland who struck last summer over rising meat prices sought to associate freely in trade unions that were genuinely responsive to their needs and grievances, Kirkland pointed out.

"They are pursuing their version of an old biblical instruction: 'Render unto Caesar that which is Caesar's, and unto labor that which is labor's,' " he said.

"That demand, to which the government of Poland committed itself as an obligation subject to international scrutiny when it ratified ILO Convention No. 87, and affirmed by written agreement with Solidarity last August, is the ultimate test of whether it is or ever will be possible to humanize a communist state."

ACKNOWLEDGING the odds and risks facing Solidarity, the new Polish independent labor federation, Kirkland said the American labor movement would "certainly not compound their risks or raise the odds by any failure on our part to meet their stated needs."

"For if Solidarity endures and thrives the world will never be the same again, and that will be for the good of all. The abstract delusive question of the ownership of the tools of production will be disengaged, as it should be, from the overriding issue of human freedom."

Kirkland rejected any suggestion that the AFL-CIO's open assistance to Solidarity, in the form of its Polish Workers Aid Fund, has been "provocative"—a term used in the recent past both in the United States and widely repeated by communist news organs.

As for communist charges that the AFL-CIO's support of Solidarity constitutes "outside interference," Kirkland said that "it comes with a singular lack of grace or proportion for a regime that has placed its people in thrall, not just to Eastern power, but to Western capital, for the sake of over $25 billion in bank loans, to denounce as 'interference' a relative pittance of aid, with no strings attached, by Western labor to our Polish brothers and sisters."

IN HER REMARKS, Mrs. Kirkland said that she accepted the award in behalf of the "nameless millions" who have died as a result of tyranny. Imprisoned during both Nazi and Soviet occupation of her native Czechoslovakia, Mrs. Kirkland told of those experiences.

"I plead guilty to that for which I was condemned by one regime: the offense of being Jewish. I was, and am, certainly guilty of that for which I was denounced and arrested by another: the offense of holding and expressing opinions of my own.

"One offense is an accident of birth; the other is simply human. Neither is in itself worthy of exceptional note. I am merely luckier than most such offenders of my time in finding a life where neither offense is a mortal crime, within reach of an all-powerful state."

Ladies' Garment Workers President Sol Chaikin, who co-chaired the award presentation with Ralph A. Pfeiffer, Jr., chairman of IBM World Trade Americas/Far East Corp., spoke of the American labor movement's dedication and devotion to the drive for the full fruition of human rights.



1981 FREEDOM AWARD of the International Rescue Committee is shared jointly by AFL-CIO President Lane Kirkland and his wife Irena. IRC Chairman Leo Cherne is shown with the Kirklands. The award cites their outstanding contributions to the cause of refugees and human freedom.

Postal Unions Blast Move To Stall New Contract Talks

The Letter Carriers and the Postal Workers charged Postmaster Gen. William F. Bolger with "contempt for the collective bargaining process" in his 11th hour petition to the National Labor Relations Board for a new bargaining unit determination before contract negotiations begin.

Formal talks between the U.S. Postal Service and the unions representing its workers were scheduled to start Apr. 22, and Postal Workers President Moe Biller and NALC President Vincent Sombrotto said they will show up at the designated time in any event.

AT A JOINT news conference, Biller and Sombrotto said that the management action "is designed to delay bargaining for months, if not years" and represents "a breach of faith" with union members who have been anticipating wage increases and other improvements in a contract that would have been effective on July 21.

They also protested the Postmaster General's action in sending letters to some 600,000 postal employees telling them of his decision to seek a bargaining unit determination and delay contract negotiations before even notifying the unions directly involved.

The NALC and the Letter Carriers, which together represent the large majority of postal employees, had served notice of their intention to engage in joint bargaining. The two other unions with bargaining rights in the postal service, the Mail Handlers division of the Laborers and the unaffiliated Rural Letter Carriers, had agreed to coordinate their bargaining.

BOLGER INSISTED in his letter that such a bargaining structure is unworkable and said "animosities" between the two bargaining groups "reduce the possibility of reaching sound agreements."

Sombrotto and Biller retorted that the Rural Letter Carriers had bargained separately during the last contract negotiations, three years ago, and that both public and private employers have regularly bargained with a number of unions representing different groups of employers.

They charged that the postmaster general's action had "severely damaged labor-management relations" and termed it "the most deceitful act in the 10-year history of postal collective bargaining."

GE Slapped for Subtle Anti-Union Tactics

The National Labor Relations Board upheld the findings of an NLRB administrative law judge that General Electric Co. unlawfully used subtle questioning of employees, surveying of worker attitudes, and other computer-age tactics to defeat the Electrical, Radio & Machine Workers in a Winchester, Va., organizing campaign.

The board declared the results of a 1979 representation election at the GE plant in Winchester invalid, and ordered that a second election be held.

IUE SEC.-TREAS. William H. Bywater, who also serves as the union's organization director, called the NLRB decision "an important victory, the significance of which goes beyond IUE and the particular plant involved."

"The NLRB set a significant precedent for attacking the kind of sophisticated psychological tactics which are being used increasingly by GE and other corporations in antiunion campaigns," Bywater said. "This decision takes away one of the tools promoted by slick union-busting consultants."

In upholding the decision of its administrative law judge, Marvin Roth, the three-member NLRB panel headed by Chairman John H. Fanning said GE committed unfair labor practices through: conducting an employee attitude survey and establishing an employee-management "sounding board" to deal with "problems" identified in the survey; urging employees to report on the union activities of others; surveillance of a union meeting; coercive interrogation of employees; disciplining an employee for "talking union" on the job to a fellow worker, and repeatedly threatening to take away a so-called open-door policy and other access to management if the union won the election.

THE BOARD agreed with Roth that the company supervisors were "well trained in the uses of industrial psychology" and that, because of their training, they were unlikely to violate the law by asking employees "point blank" about their union sympathies and activities. Instead, they "systematically talked to employees" in ways "carefully calculated to draw out a spontaneous response" showing sentiment for or against the union. Roth and the board agreed that this devious computer-age approach was also illegal.

The attitude survey and sounding board idea were part of GE's unlawful strategy "to discourage support for the union," Roth found.

After the IUE filed for an election, the company said it would have to "discontinue plans of implementing the employee sounding board." The company blamed the union for causing it to take this action to avoid "possible legal implications."

The board agreed with Roth that not only was establishment of the sounding board plan illegal, but discontinuance of it also was an unfair labor practice designed to discourage union support.

HOWEVER, the NLRB panel overruled Roth's order that the sounding board be reinstated, calling it "in large part responsible for destroying the laboratory conditions" at the time of the election.

The election, held Nov. 16, 1979, resulted in a vote of 96 for IUE to 138 for "no union" among 239 workers eligible to cast ballots.

4/18/81

Correspondence about address corrections should be sent with attached mailing label to: Subscriptions, Room 209, 815 16th Street, N.W., Washington, D.C. 20006.

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Inflation Rate Slows but Pay Lag Persists

The pace of inflation eased somewhat in March, temporarily stemming the erosion of worker paychecks. But despite a one-month improvement, the "real earnings" of America's workers continued to lag substantially below the same period a year ago.

Energy prices continue to be a pacesetter in the key inflation index for urban wage earners and clerical workers.

THE 2.3 PERCENT March increase in gasoline prices and a 2.7 percent rise in fuel oil prices followed the even bigger price jumps of January and February, when the impact of President Reagan's oil decontrol actions hit the marketplace.

Rebates given by auto manufacturers cut new car prices and helped hold the March price rise to six-tenths of 1 percent, a compounded annual rate of 7.5 percent. The March index was 10.5 percent higher than a year ago.

AFL-CIO Research Director Rudy Oswald said the month-to-month fluctuation in the cost-of-living index "clearly belies the notion that the inflation rate is related to changes in the federal budget deficit."

THE "PRIME MOVERS of the inflation index," Oswald stressed, are specific non-budget factors affecting energy, food and housing.

Real spendable earnings—the after-inflation buying power of average weekly pay after social security and federal income taxes have been deducted—moved up three-tenths of 1 percent in March, ending three months of sharp declines.

But over the year—the 12 months since March 1980—the buying power of take-home pay was down 3.1 percent.

THE ONE-MONTH improvement in real spendable earnings was helped by an increase of three-tenths of 1 percent in average weekly hours. There was no change in hours worked from a year ago.

On an hourly basis, in constant dollars, purchasing power moved up two-tenths of 1 percent from February to March, but lagged 1 percent below a year ago.

In the price index, food and beverages were up a relatively modest four-tenths of 1 percent, after having risen only two-tenths of 1 percent in February and having gone down two-tenths of 1 percent in January.

Oswald said it is likely that both food and housing costs will move up at a faster rate in the months ahead.

Increases in women's and girls' clothing were largely responsible for a rise of seven-tenths of 1 percent in apparel costs.

MEDICAL CARE took a 1-percent jump, continuing in the double-digit inflation pace.

For the first three months of this year, the seasonally adjusted annual inflation

(Continued on Page 6)

Budget for City Family Soars 12.8% Over Year



POSTAL UNION NEGOTIATORS face empty chairs at the bargaining table as the Postal Service management representatives boycotted the opening session of contract talks with the Postal Workers and Letter Carriers. Seated are NALC Executive Vice President Tony Huerta and President Vincent R. Sombrotto, APWU President Moe Biller and attorney John O'Donnell. **(Story, Page 3.)**

$23,134 Cost Of Moderate Living Level

By James M. Shevis

The government's hypothetical budget for a typical American family last year soared to $23,134, a 12.8 percent increase in 12 months, the Bureau of Labor Statistics reported.

The figure represents the before-tax income that an urban family of four needed last autumn just to maintain a middle-level standard of living. A similar family living at a lower, more austere level would have required $14,044, and a family on a higher budget affording a few luxuries would have needed $34,409. The amounts are nationwide averages, and were higher or lower depending on geography.

THE LOW BUDGET was 11.6 percent higher than a year earlier, while the higher budget was 13.5 percent above the comparable 1979 figure. The percentage jumps for all three budget levels were the largest increases since 1974, BLS said.

BLS prepares the budgets by updating changes in prices of various goods and services for a precisely defined urban family in each of the three budget categories. The budget levels reflect item costs as of last October.

If brought up to the present time, by allowing for inflation since last fall, the budget totals would be even higher. AFL-CIO Economist Anne Draper calculates that consumer price increases from last October through March of this year, plus higher social security taxes since Jan. 1 and more federal income taxes that would result from a higher gross pay, would mean that the middle-level living standard for families would require $24,461 today. Those on the lower budget would now need $14,831, while families at the upper level would require $36,760 today.

(Continued on Page 6)

OSHA Backs Down

Administration Assailed On Lead Safety Retreat

By John R. Oravec

The Reagan Administration has widened its campaign to hold up worker protections under the federal job safety law by attempting to persuade the Supreme Court to vacate an appeals court decision upholding the lead standard.

Pursuing the same approach the Occupational Safety & Health Administration took on the cotton dust standard late last month, the government has now asked the high court to put off consideration of an appeal on the lead exposure regulation and to remand the rulemaking record to OSHA so that the standard can be amended.

Like the cotton dust standard, the 1978 lead exposure standard has been the target of employer groups challenging provisions for engineering controls and work practices that would sharply reduce worker exposure to hazardous substances.

IN ANNOUNCING the OSHA action, Assistant Labor Sec. Thorne G. Auchter said he wants to submit the lead standard to a cost-benefit analysis and re-examine virtually all provisions of the regulation.

George H. R. Taylor, the federation's job safety director, said that "organized labor will oppose those and all other efforts to emasculate the requirement of the OSHA act that standards dealing with toxic substances be such that no employee suffer impairment of health or capacity to function during the entire period of his working life."

Medical studies show that lead poisoning, resulting from high levels of exposure to the metal, can result in anemia, kidney failure, nervous system disorders, brain damage and death. More than 800,000 U.S. workers in some 40 industries are exposed to lead on the job.

Auchter acknowledged in announcing the recall of the standard that "lead is

(Continued on Page 3)

Budget Slashers Recruit Conservative Democrats

By David L. Perlman

The Reagan Administration is looking to conservative Democrats for the votes it needs to get its drastic budget slashes approved by the House.

Its new strategy is to pin a bipartisan label on a slightly reshuffled version of the President's program that has been cosponsored by Rep. Delbert L. Latta (Ohio), the ranking Republican on the House Budget Committee, and Democrat Phil Gramm (Tex.), who has voted against labor's position on 85 percent of COPE-rated issues during his tenure in Congress.

THE WHITE HOUSE refers to the Latta-Gramm measure as "the Reagan bipartisan budget bill." Office of Management & Budget Director David A. Stockman described it as "the Administration's program with a few wrinkles." And a White House press official told reporters it will "give us well over 100 percent of what we asked for" in spending cuts.

The Administration wants to get its bill passed as a substitute for the less extreme measure drawn up by the House Budget Committee.

The committee bill would give the President about 75 percent of the cutbacks he has sought, which labor and its allies insist would badly shortchange the nation's needs.

A labor-led Budget Coalition has been using the Easter recess for home-district meetings with House members to urge higher funding levels than the Budget Committee proposed.

ON APR. 28, after Congress reconvenes, the Rules Committee is expected to specify the amendments that can be considered when the bill comes to the House floor later that week.

Before voting on the committee bill,

(Continued on Page 8)

Reagan Program To Lower Income For 20 Million

The Reagan Administration's proposed budget would compel more than half of the nation's low-income households to reduce their living standards, according to a Congressional Budget Office study.

A "partial estimate" of the budget's impact on the poor and the near-poor was made by the non-partisan Congressional Budget Office at the request of Sen. Edward M. Kennedy (D-Mass.) and House Budget Committee Chairman James R. Jones (D-Okla.).

THE STUDY FOUND that about 51 percent of all low-income households, comprising an estimated 20 million to 25 million people including children and the elderly, would have less to live on as a result of cuts in 10 major assistance and employment programs.

But the CBO said its analysis dealt

(Continued on Page 3)

Cement Union Sees New Pact Fixing Pattern

St. Louis—The Cement, Lime & Gypsum Workers won wage increases totaling 32 percent over three years and major pension improvements in a tentative contract renewal agreement with Lone Star Industries Inc., that is expected to set a pattern for some 17,000 American cement workers in the next few weeks.

The settlement with Lone Star, the nation's largest producer of portland cement, ready-mixed concrete, sand and gravel, covers some 1,300 workers represented by the CLGW at the firm's 12 U.S. facilities. The company, based in Greenwich, Conn., produces about 9 percent of the country's cement.

Worked out in weeklong talks here, the Lone Star agreement would increase wages by 65 cents an hour across the board on May 1. The hourly rate will go up by 20 cents more on Nov. 1, by 55 cents on May 1, 1982, and another 50 cents on May 1, 1983.

In addition, the pact provides for a cost-of-living adjustment up to 12 percent as measured by the consumer price index and for increases in the CPI exceeding 14 percent. Increases between the 12 and 14 percent "corridor" are not covered.

Among other benefits, the pension factor that determines monthly benefits will rise $1 a year during the contract, reaching $20.50 for each year of credited service for normal retirement as of May 1, 1983, and $21.50 for disability retirement on that date. This will mean a monthly pension of $717.50 for a 35-year retiree, CLGW President Thomas F. Miechur pointed out.

Other contract provisions include insurance and medical-benefit improvements such as an annual dental-coverage maximum of $1,500 in 1983, replacement of artificial limbs under major-medical coverage, and increased major-medical benefits for future retirees up to $7,500.

The agreement, which must be ratified by the workers involved, will replace a contract due to expire at the end of April.

Collins Succeeds Hilbert as Head Of Dispatchers

Berwyn, Ill.—Dan E. Collins, secretary-treasurer of the Train Dispatchers since 1971, has been elected by the union's joint board to succeed B. C. (Barney) Hilbert as president.

Collins, 53, will assume his new post on May 1. Hilbert, 60, has headed the ADTA since 1976.

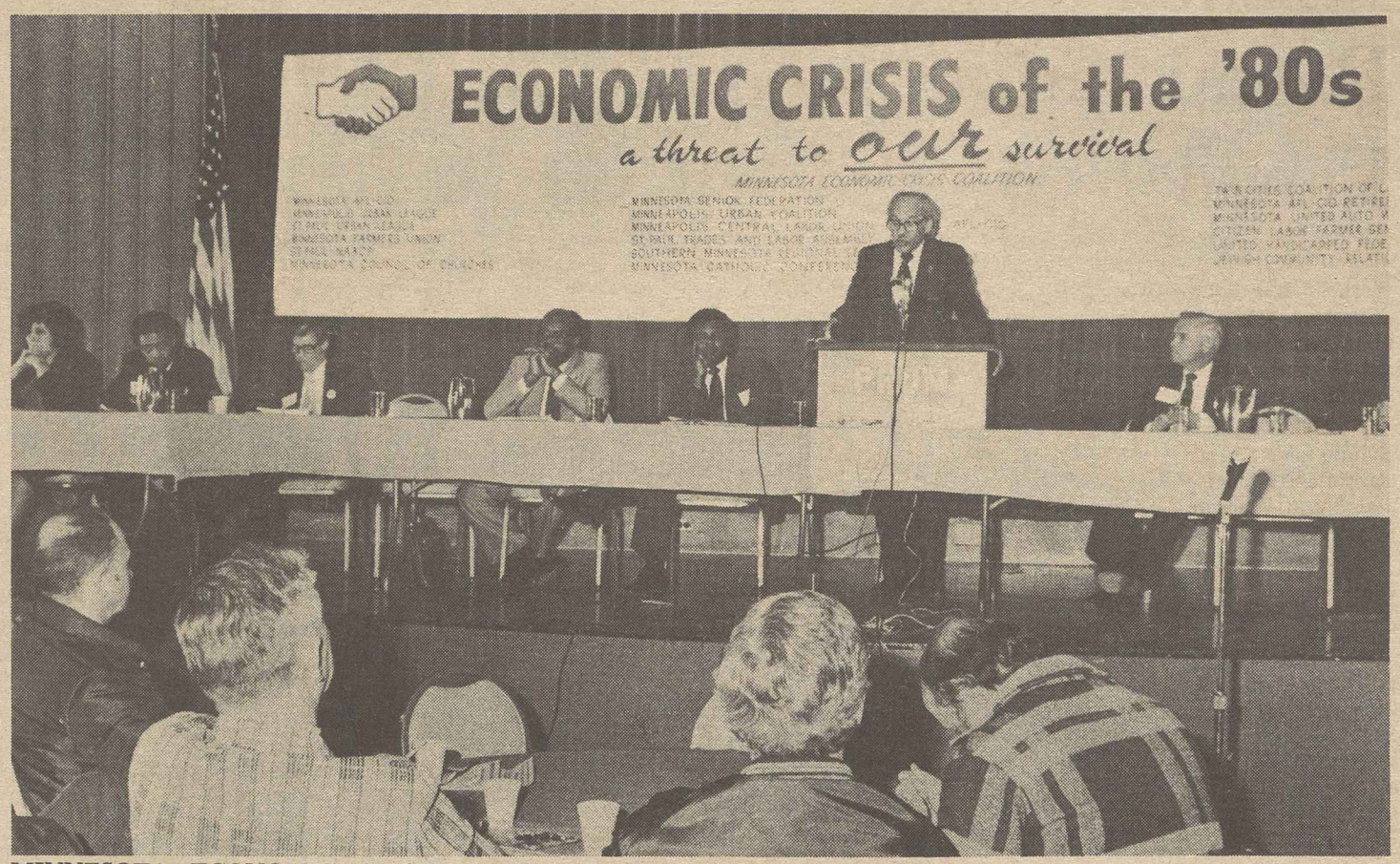
Hilbert, in a retirement message to the board, said that he and his wife plan to return to the Pacific Northwest area. His railroad career has spanned 35 years, nearly evenly divided between active railroad service and full-time union work.

Collins began his railroad career in 1943 as a telegraph operator on the Louisville & Nashville. In 1945, he switched to the St. Louis Terminal Railroad. After two years of service in the Navy, he returned to St. Louis, where he worked as a train dispatcher.

In 1963, Collins organized the dispatchers on the Terminal. He subsequently became a member of the ADTA board of trustees, assistant treasurer and general chairman, before becoming secretary-treasurer.

Other new officers chosen by the union's nine-member joint board were J. P. Erickson, ADTA vice president who will succeed Collins as secretary-treasurer; M. H. Kassera, senior trustee, who will become a vice president succeeding Erickson, and T. H. Eshelman, vice general chairman on the Santa Fe Railway who will become the new trustee.

All will serve from May 1 through October 1983, when the union will elect officers at its convention.



MINNESOTA ECONOMIC CRISIS Coalition attacked Reagan cutbacks in social programs at an all-day conference in St. Paul. Above, Alexander Allen, director of programs for the National Urban League, charges that budget cuts such as gutting of CETA job programs are actually a noose-tightening around the necks of the poor.

Minnesota Coalition Warns Needy Will Bear Brunt of Program Cuts

St. Paul, Minn.—A statewide coalition of civic, labor, consumer and other groups warned that reductions in essential social services proposed by the Reagan Administration and by Minnesota Gov. Albert H. Quie will only serve to wear the social fabric thinner for the poor, the jobless, and the elderly.

David Roe, co-chairman of the Minnesota Economic Crisis Coalition, charged that the "divide and conquer strategy" that lies behind the cuts will pit one group against another for scarce funds.

ROE, WHO is president of the Minnesota AFL-CIO, said the nation is sliding back to the discredited economic theory where "you take care of the rich and large corporations and think that prosperity will somehow trickle down to the people."

But it doesn't work that way; the people only get shortchanged, he observed.

Roe said he fears that the combined effect of reductions in state social services proposed by Quie and federal cutbacks in funding will force cities in Minnesota to drop some essential services and fund others by raising property taxes as much as 100 percent in the next few years.

THE DAY-LONG conference was addressed by more than a dozen speakers from state, local, and national organizations. The Minnesota coalition is a state counterpart of the national Budget Coalition formed earlier this year under the leadership of the AFL-CIO. It is seeking to mobilize public opinion against harsh federal and state budget cuts.

AFL-CIO Research Director Rudy Oswald, in addressing the conference, accused federal budget director David Stockman of shortcircuiting the budget process. Oswald stressed that balancing the federal budget would reduce the nation's inflation rate by less than half of one percent. Furthermore, he said, the federal budget deficit is a symptom of economic adversity, not the cause.

Oswald emphasized that the AFL-CIO is not against a balanced budget as such, but he said expansion of the economy is the more desirable route to follow, not reductions in social programs. Each one-percentage point reduction in the jobless rate would cut the federal deficit by $30 billion, he pointed out.

THE FEDERATION estimates that the Reagan budget cuts would cause the loss of more than 1.25 million jobs in the 1982 fiscal year, while the President's tax plan would give $12 in tax cuts to wealthy individuals for every dollar the average wage earner receives.

Alexander Allen, director of programs for the National Urban League, vowed that the battle over the budget is far from over. He called for the rejuvenation of the New Deal coalition of Franklin Roosevelt's day.

Besides the National Urban League's St. Paul and Minnesota chapters and the Minnesota AFL-CIO, the coalition includes branches of the Farmers Union, Council of Churches, Catholic Conference, United Handicapped Federation, Jewish Community Relations Council, Southern Minnesota Regional Legal Services, the UAW, Minnesota AFL-CIO Retirees Chapters, Coalition of Labor Union Women, St. Paul and Minneapolis AFL-CIO central bodies, NAACP, Urban Coalition, and the Citizen/Labor/Farmer/Senior Energy Coalition.

ALAN KISTLER, director of the AFL-CIO Dept. of Organization & Field Services, said that the proven job programs being eliminated by the Reagan Administration provide increased tax revenues that more than compensate for federal funding of the programs. He said that the Human Resources Development Institute—the federation's manpower arm—has found work in each of the last 10 years for 12,000 disadvantaged persons and has developed 20,000 jobs.

Kistler said he wondered about the reaction to the budget cuts by the 340,000 public service workers whose jobs would be eliminated, the 200,000 young people who would not get jobs, and the disabled persons who would not be helped by a scaled-back vocational rehabilitation program.

"During the last major recession in 1975, those public service employment programs helped cushion the effect of the economic downturn," he said. "It just seems shortsighted now to give them the ax when the economy is in such an uncertain condition and unemployment is still above 7 percent."

ELECTED OFFICIALS in the Twin Cities metropolitan area also lambasted proposed reductions in government programs. St. Paul Mayor George Latimer attacked Reagan's lack of interest in energy conservation as reflected by the President's decision to shrink funding for weatherization of homes and district heating projects.

Minneapolis Mayor Don Fraser pointed out that while aid to cities contained in various federal programs amounted to 14 percent of the present budget, two-thirds of Reagan's budget cuts would be concentrated in those programs. Fraser said that more meetings like the one sponsored by the Minnesota Economic Crisis Coalition are needed to see that government "functions with compassion."

Continued Start-Up Funding Urged for Group Health Units

Health maintenance organizations (HMOs) should continue to receive federal encouragement and start-up aid, the AFL-CIO urged in a statement submitted to the subcommittee on health of the House Energy & Commerce Committee.

The Health Maintenance Act expires this year and the subcommittee is considering bills to continue the program for three more years with various changes.

AFL-CIO LEGISLATIVE Director Ray Denison said non-profit HMOs that are in the process of being formed should continue to be eligible for federal planning and development grants, and for loans to cover operational deficits in early stages.

In this respect, he said, the AFL-CIO prefers the bill introduced by Subcommittee Chairman Henry A. Waxman (D-Calif.) to a measure by Rep. Edward R. Madigan (R-Ill.) that would end the grant program immediately. But some other features of the Madigan bill are desirable and should be incorporated into the final measure, Denison said. The bills were analyzed by the AFL-CIO Dept. of Social Security.

The AFL-CIO statement opposed a provision in both bills that would eliminate the present requirement that at least one-third of the members of the governing boards must be subscribers to the plan—the consumers of the health services.

Denison urged continuation of the present requirement for HMOs to use community rating systems to set charges. He also asked continuation of the present preference in federal assistance to HMOs that operate in "medically underserved areas."

The AFL-CIO statement strongly supported the existing procedure for federal certification of HMOs as a prerequisite to being offered to workers by employers as one of the health insurance options.

Management Missing

Postal Union Negotiators Faced by Empty Chairs

Joint bargaining efforts of the Postal Workers and Letter Carriers for a new contract with the Postal Service broke off before talks got started when management representatives failed to show up for the scheduled opening session.

After facing empty chairs at the bargaining table for nearly a half-hour, Letter Carriers President Vincent R. Sombrotto and Postal Workers President Moe Biller issued a joint statement:

"IT HAS NOW become clear that the U.S. Postal Service will not be in attendance at this collective bargaining session."

They said management's failure to appear at the previously agreed upon Apr. 22 meeting "is a violation of the Postal Service's legal duty to bargain collectively with duly authorized representatives of its employees."

The APWU and NALC represent about 500,000 of the nation's 600,000 postal workers whose current three-year contracts expire July 20. Separate talks also had been scheduled by the Mail Handlers division of the Laborers and the unaffiliated Rural Letter Carriers, which represent some 100,000 Postal Service employees.

SOMBROTTO AND Biller charged that Postmaster Gen. William F. Bolger was torpedoing the negotiations by his announcement a week earlier that he would not bargain until the National Labor Relations Board acts on his petition to determine a new bargaining unit in the Postal Service.

"We have already notified the Postmaster General and the board that we consider this petition to be without legal foundation," Sombrotto and Biller said.

"We have asked the board to dismiss the petition immediately to prevent the service from further interrupting the collective bargaining process."

A COUNTER-PETITION filed by the two unions with the NLRB states that Bolger's petition did not meet the board's time limitation for filing and that its intent was "in bad faith to impede and delay negotiations."

The NLRB has set a hearing for Apr. 30 on the issue.

The unions reported that they were subsequently notified by Bolger that the Postal Service would not attend any future bargaining sessions until the NLRB responds to its petition, but that it would be available May 4 to discuss extensions to the existing agreements.

To that proposal, James J. LaPenta of Mail Handlers said, "we're not buying that."

He pointed out that the Postal Reorganization Act which established the USPS carries no provision for the extension of contracts as a substitute for collective bargaining. He noted that the law clearly provides for a specified time frame for negotiations in relations to the expiration of the contracts which Bolger is ignoring.

LaPenta also said the Mail Handlers, like the NALC and the APWU, will be challenging Bolger's position at the NLRB hearings.

THE UNIONS had considered an option of filing an unfair labor practice charge against the Postal Service for refusal to bargain, but said that action would not be initiated at this time.

Key contract goals outlined earlier by Biller include catch-up wages to restore lost purchasing power over the last three years, job security and improvements in job safety.



IMAGES OF LABOR, an exhibition of 32 original works by major American artists on themes from the lives of workers, debuted Apr. 15 at New York's Gallery 1199. The unique show is part of the "Bread and Roses" cultural project organized by District 1199 of the Retail, Wholesale & Dept. Store Union. The exhibition will later travel to Washington's Smithsonian Institution as part of a two-year national tour. Shown with the sculpture called "Mother Mary Jones" by Ed McGowin are, from left, District 1199 Executive Sec. Moe Foner, artist Benny Andrews, actor Ossie Davis, poet Eve Merriam, and Harry Van Arsdale, president of the New York City AFL-CIO.

OSHA Assailed for Retreat On Lead Exposure Standard

(Continued from Page 1)

a serious industrial hazard against which workers must be protected." He noted that many provisions of the standard are already in effect and would remain so during the agency's review.

The lead standard, which was issued Nov. 14, 1978, and went into effect Feb. 1, 1979, is designed ultimately to limit worker exposure to 50 micrograms of lead per cubic meter of air averaged over an eight-hour shift. The previous limit was 200 micrograms per cubic meter of air.

To ease the economic impact on industry, the Carter Administration provided for a 10-year phase-in—allowing some industries to reduce exposure levels gradually to 100 micrograms and eventually to 50.

IN EARLY stages, the exposure limits could be achieved through the use of respirators by workers. In later stages, the limits would have to be achieved solely through engineering and work practice controls.

The U.S. Court of Appeals for the District of Columbia upheld the standard last August, rejecting the industry challenge. Last December, the Supreme Court stayed certain parts of the standard dealing with engineering and work practice controls pending an industry appeal, but it refused to delay implementation of a rule requiring employers to transfer workers who develop high levels of lead in their blood to other jobs without reduction in pay, seniority or other benefits.

However, when a new "trigger level" was to take effect Mar. 1 providing for medical removal after a worker's lead absorption reached 60 micrograms per 100 grams of blood, OSHA responded to an industry request for a one-year delay by pushing back the effective date to Apr. 1. Auchter has since ordered the delay extended to May 1.

AUCHTER SAID the review of the lead standard would be made under a Feb. 17 presidenital order to assess the costs and benefits of all major regulations.

Despite the extensive hearings that OSHA conducted in the mid-1970s on the proposed lead standard, Auchter contended that "the original rulemaking record was lacking in many respects." He insisted that "the public had no chance to comment directly on the feasibility of the 50-microgram limit in some industries."

During the hearings, unions produced testimony supporting both the technological and economic feasibility of a 40-microgram exposure limit.

Labor Educators Explore New Teaching Techniques

San Francisco—New techniques that can help labor educators accomplish basic educational goals were explored in detail at the AFL-CIO's annual education conference here.

Workshops at the meeting emphasized methods for planning education programs for groups within the labor movement with different needs and interests and on innovative techniques for teaching such union skills such as organizing, bargaining and servicing to union members, officers and staff.

THE WEEK-LONG conference, which drew nearly 200 labor educators, was held jointly with the annual meeting of the University & College Labor Educators' Association.

AFL-CIO Education Director Dorothy Shields, who co-chaired the conference with UCLEA President Anne Nelson, called the renewal of interest in "basic labor education goals and grassroots education" coupled with new methods an appropriate theme in a year when organized labor is celebrating its centennial and planning its programs for the future.

In an example of how new approaches can be used, the conference featured a videotape address by AFL-CIO Sec.-Treas. Thomas R. Donahue who talked about the goals and results of the recent series of AFL-CIO regional conferences.

Donahue explained the federation's policies and planned activities on a variety of issues of importance to labor. The videotape was followed by a live question and answer session between the participants and Donahue, who was in New York, by means of a telephone hook-up.

CONFERENCE workshops, many of which were conducted by education directors and staff from AFL-CIO unions, included discussions of successful methods for familiarizing new members and unorganized workers with unions and their functions as well as the development of local union education programs and programs aimed at the needs of women and minorities.

AMONG OTHER workshops were presentations geared to developing labor education plans for union officers and staff. These discussions included ways to improve skills for communication with members, using the resources available through universities and colleges, and gaining access to the media.

In a series of discussions highlighting the ways unions can solve problems by joint action, representatives of California labor, the AFL-CIO, youth organizations, senior citizens groups, and public interest organizations explained how they worked together to educate both union members and the public on vital issues.

Study Sees 20 Million Hurt by Reagan Cuts

(Continued from Page 1)

with the impact of only $5.3 billion out of the $15.4 billion in benefit reductions required by the Reagan budget. Therefore, "it considerably understates the magnitude," the CBO said.

The reason for the limitation, the report said, is that the bulk of the Administration's cutbacks in assistance to the needy would be achieved by consolidating a number of federal programs into block grants to the states. While the total amount available would be reduced, the impact could not be measured without knowing how the states would allocate the federal block grants among many possible uses.

AMONG THE program cuts that were not measured by the CBO because of such uncertainties were low-income energy and housing assistance, Medicaid, unemployment insurance, trade adjustment assistance, and social security changes. Also excluded were the effects of "reductions in spending for programs in areas such as education and health, which tend to affect families with children but do not directly affect families' financial resources."

With about two-thirds of the funding cuts excluded from the computation, the CBO said most of the income losses to the poor and the near-poor would be less than 5 percent. But some 649,000 families receiving help from more than one program would suffer an average income loss of 19 percent.

Within the limited budget cuts counted for the study, families with children headed by nonwhite women would be most likely to be affected, the CBO said.

THE STUDY covered families with incomes below the poverty level and up to 50 percent above the poverty level.

It took note of the fact that some of the working poor would have increased take-home pay if Congress enacted the Administration's proposals for cutting personal income taxes.

But the impact of a tax cut would be received by the low-income population."

THE ARCHITECT of the Administration's budget, David A. Stockman, said the CBO study "demonstrates that the President's safety net is still intact" since most of the low-income families would not experience what he termed "a serious reduction in their spendable income."

Sen. Kennedy, however, came to a quite different conclusion. He said it is "ironic and tragic that an Administration which proclaims itself to be pro-family has given us an anti-family budget which will put even more pressure on the family structure of those already living at the economic margin."

The Issues of the '80s

TRADE UNIONISM, by its very nature and definition, requires a positive response to the question: "Am I my brother's keeper?"

From various quarters we are hearing that civil rights and human rights should be put on the back burner. Those voices do not speak for the American labor movement. They speak against the interests and the goals of workers and their unions—as well as against our allies among the civil rights and women's groups, the senior citizens, and all others who look to their government for justice.

The problem we face is clear to us all. The political friends of labor and its allies are out of power, and our opponents are in.

Nobody can accuse them of singling out any particular group to discriminate against. They are discriminating against everybody—except the truly rich and the most deserving corporations.

THEY CLAIM that their only goal is to cut back social programs that have failed or outlived their usefulness.

The programs we fought for did not fail. Teaching a youngster a trade he can take pride in and earn a living at is a triumph that brings benefits to the whole society.

Seeing to it that children get the food and medical attention they need to grow up able to compete and pay their way is the cheapest and best insurance we can buy for our future.

A whole generation of black youngsters has grown up without ever seeing the odious sign that says "No Negroes" or "Whites Only." Is that a failure? I say it is an advance for civilization.

Many of those youngsters will not now go to college because the Administration proposes to scotch the student loan program.

If you want to know what the civil rights issues of the 1980s are, look at the President's budget proposals.

They add up to an effort to reverse the social progress that has been won by legislative and economic action over the last 50 years.

ONE OF THE striking aspects of this assault is the frantic speed with which it is being carried out.

None of the programs being scuttled was created overnight. Most were considered and debated for years until action became unavoidable, and then for years more while Congress explored methods and funding levels.

Congress has not been asked or permitted to give the dismantling of these programs anything like the careful legislative deliberation that went into their creation. It has been asked to make, and in many cases already has made, drastic revisions in law without consideration or provision for millions of Americans who will be and are being injured in the process.

Some people have advised us to sit back and ride out the next few years. They tell us there's no point in resisting. They tell us the odds are against us—that it's a losing battle.

The labor movement isn't a game of chance. We have an obligation, a sacred trust, to do everything in our power to protect our people. We have a plain duty to do our best to head off the disasters we see in the making. And we intend to discharge that duty —win, lose, or draw.

—AFL-CIO President Lane Kirkland at Civil Rights Conference at the George Meany Center for Labor Studies, Apr. 12, 1981.

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'Live and Let Live! Right?'



British Experience Cited

Reagan Handout for Business Worthless Snake Oil Remedy

By Gus Tyler

IT'S "SNAKE OIL," says the Economist, in writing about President Reagan's proposed "investment incentives."

Coming from anyone else, that sort of snotty talk could just be brushed off. But the Economist is not just another publication: it is the highly prestigious British publication, of fundamentally conservative bent, read by policy makers around the world for its insights into global economic trends.

Hence, before this government rushes into this $165 billion giveaway to corporations that "provides work for bureaucrats, money for tax lawyers, and precious few benefits for anyone else" except puffed up profiteers, it might be well for our President and Congress—both Democrats and Republicans—to take a look at the Mar. 21 issue of the Economist.

DESPITE THE fact that just about everybody in Washington—liberal as well as conservative—is ready to embrace "incentives" as if they were motherhood or Dolly Parton, the Economist warns that "America may be about to follow Britain in finding out the hard way that accelerated depreciation has been oversold; that what gains it does bring are expensive; and that there are cheaper and more effective ways of increasing investment."

The big argument for swift write-offs is that this is a way to ease taxes for our overtaxed American corporations. But, says the Economist, "American companies are not over-taxed by international standards.

"A RECENT STUDY by accountants Price Waterhouse found that an investing company pays more tax in West Germany and Japan than in America. In West Germany the rule for most investments is straight-line depreciation over the asset's whole life, and in Japan the rules are almost as strict. Yet both countries devote a far larger share of gross domestic product to investment than America does." Britain "has the most generous depreciation rules" and little to show for it.

The cost to Uncle Sam over the next five years would be $165 billion. This multi-billion expenditure would be "an undisguised government handout for business and an inefficient carrot for boosting investment. Even at its present level, it often simply rewards investment that would have taken place anyway."

You don't get business to invest just by giving it a rebate on investments, says the Economist. "Investment booms arise mainly from an encouraging economic climate, not from accelerated depreciation schemes."

TO ENCOURAGE that "climate," the Economist recommends applying the giveaway money to "reducing the federal deficit" or to "lower interest rates."

But how can we expect such actions when the Federal Reserve Board is determined to check growth with its high interest rates and the Reagan Administration is about to increase—yes, increase —the federal debt, despite its savings at the expense of the poor, by giving away to corporations a sum equal to about a quarter of the federal budget?

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Who Will Shoulder Society's Burdens?

During his campaign, President Reagan talked about getting government off the backs of the American people. That is how opponents of social progress usually describe their objectives.

Will the 340,000 men and women who will be laid off as a result of terminated CETA public service jobs programs breathe a sigh of relief at having government off their backs?

Will the 200,000 men and women who would have been helped by CETA programs to get jobs in private industry rejoice that there will be no federal intrusion into their lives?

What about the handicapped persons, some of them Vietnam veterans, who were being aided in the difficult task of moving from dependency to independence?

Will they appreciate the removal of the 'heavy hand' of government support?

—Alan Kistler, director of the AFL-CIO Dept. of Organization & Field Services, St. Paul, Minn., Apr. 14, 1981.

Secretaries Look to Unions

Box of Candy No Compensation For Dead-End, Low-Pay Jobs

By Gloria Johnson

The following article is excerpted from Interface, the publication of the AFL-CIO Dept. for Professional Employees. The author is director of Education & Women's Activities for the Electrical, Radio & Machine Workers and treasurer of the Coalition of Labor Union Women.

THE AFL-CIO Dept. for Professional Employees, the National Commission on Working Women, and the Coalition of Labor Union Women, which formed an Ad Hoc Coalition for National Secretaries Week in 1980, seek to draw attention to the problems of unorganized white-collar working women during National Secretaries Week.

Secretaries are editors, writers, travel agents, conference organizers, typists, office managers, receptionists, and more. Unfortunately, they receive neither the recognition nor the wages they deserve.

During National Secretaries Week, bosses will take their secretaries out for expensive lunches, buy them boxes of candy or send them flowers.

But when the flowers wilt and the candy boxes are empty, those secretaries, all too often, will still be stuck in dead-end, low-paying jobs.

Today, 98.6 percent of all secretaries are women. They number 14.8 million. The myths describing them and their jobs are many and need to be destroyed before change can occur.

Some of these myths are contradictory in nature. For example: (1) Secretaries really are quite well paid. (2) Secretaries don't need to be well-paid because they only work for extra "pin money."

IN FACT, the average pay of a secretary is among the lowest in the country—less than the average wage for every kind of blue-collar work. Also, 1980 Labor Dept. statistics show that 75 percent of women work because of economic necessity, and not for "pin money."

Many of these women—many of these secretaries are heads of households with full financial responsibility—many of these secretaries are mothers of pre-school children—and many of them are among the millions of workers whose income often determines whether or not a family will or will not rise out of poverty.

Another myth is that secretaries remain in the same job year after year because they want to. The reality is that there is no career ladder for office workers.

Secretaries are hampered by another myth which says that there no longer is wage discrimination against office workers since passage of the Equal Pay Act of 1963.

Once again, the reality is somewhat different. Although the Equal Pay Act provides for "equal pay for equal work," that promise is an empty one if there are no men performing the equal work. Job segregation is so severe in the secretarial field that there simply is no man doing the same job in the next office to whom the underpaid secretary might compare herself.

IN ORDER for substantial changes to be made, secretaries must be recognized as professionals with rights.

They have the right to a comprehensive written job description which specifies their duties; they have a right to detailed information specifying the compensation, terms and benefits of their employment. They have the right to compensation for overtime work and work not included in their job description. They have the right to regular salary reviews and cost-of-living increases. They have the right to benefits and pay equal to those of men in similar job categories and the right to promotion opportunities and on-the-job training programs.

They have the right to organize into unions and bargain collectively to ensure that these rights are achieved.

SUCH DEMANDS are hardly revolutionary; in fact, they are taken for granted by large numbers in the workforce. They are basic and minimal rights which all workers have and which are essential protection against unfair treatment.

Today more and more women office workers are recognizing that organizing is the key to change. The clerical workers movement, consisting of grass roots groups, national organizations, and unions, has taken office workers' problems out of the realm of the isolated individual.

Such groups are building networks of working women in offices to win specific changes, and they are filing charges and pressing government agencies to enforce equal opportunity laws.

Their strategies include researching and documenting discriminatory practices, testifying before congresisonal committees and meeting with government officials, adopting resolutions and instituting programs to deal with special concerns of these women, and educating the public through the media about workplace discrimination, and developing training and upgrading programs.

Increasingly women are learning that it is only with the unions and the union contract that they have a formal, ongoing structure through which changes can be instituted—child care, pregnancy disability, pay equity, family sick leave—and which provide for job descriptions, grievance procedures, and wages which reflect the true value of the secretary's worth.

In Contract Talks

Restoration of Eroded Wages Major Goal of Postal Workers

THE POSTAL SERVICE can't hide behind the Administration's proposed budget cuts in subsidies to avoid agreement on a fair contract, President Moe Biller of the Postal Workers declared on Labor News Conference.

Biller pointed out that productivity of American postal workers jumped 5.5 percent last year as the volume of mail increased from 100 billion pieces to 106.5 billion, according to the Postmaster General's annual report. Biller also noted that mail volume over the decade is up sharply even though USPS has 75,000 fewer workers.

Biller stressed that inflation has seriously eroded wage rates negotiated three years ago. He said that in addition to a wage catch-up, job security and working conditions—especially job safety—will be among the top priorities in negotiations for a new contract.

Questioned by reporters, Biller pointed out that the limited cost-of-living protection that postal workers won in the arbitration award that settled the 1978 contract talks is based on a formula that falls short of maintaining the purchasing power of negotiated wage rates. He said postal workers have lost more than one-third of the national CPI increases over the term of the contract and are determined to guard against further erosion of purchasing power.

JOB SAFETY is "an intense issue" in the talks, Biller reported. Postal facilities have become "letter factories," he said, with "monster machines, a block long, some 20 feet high, with 20 people working on them."

He said the growing incidence of job-related injuries and deaths points up the need for stronger safety standards and stronger OSHA enforcement authority, including the right to make unannounced inspections of postal facilities. He said that while the union supports fully bipartisan bills now before Congress that would beef up OSHA's inspection and enforcement authority in the Postal Service, it would be much more effective to negotiate safety provisions into the contract.

"Congress can eliminate" legislated protections, he pointed out, but "when you bargain something, only you can give it away."

Washington Window

By Press Associates, Inc.

ASIDE FROM BASIC questions about the equity of the Reagan Administration's budget and tax program, a growing array of economists has been expressing grave doubts about whether the program, if enacted, will achieve its stated goals.

Robert J. Gordon, professor of economics at Northwestern University, says that "instead of the soaring output boom that the Reagan planners predict, and on which their budget assumptions are based, a more likely scenario is sluggish output growth, continued high unemployment, and large budget deficits."

THE CONGRESSIONAL Budget Office reports that the Administration's underestimation of future unemployment throws off its budget deficit estimates by tens of billions of dollars since the government would take in less tax revenue and spend more for unemployment compensation and other support programs.

Rather than the budget surplus by 1984 projected in the Administration's scenario, the result would be the nation's first budget deficit of more than $100 billion, predicts a study by the Democratic staff of the Joint Economic Committee (JEC) of Congress.

In addition to staggering deficits in the mid-1980s, says the JEC study, there would be little change in inflation, unemployment and high interest rates.

THE STUDY, said JEC Chairman Henry S. Reuss (D-Wis.), "just confirms common sense. Big tax cuts and super-tight money, in a time of rampant inflation and raging interest rates, is only a prescription for disaster."

Walter W. Heller, chairman of the Council of Economic Advisers under Presidents Kennedy and Johnson, said that a tight money policy will not increase the money supply sufficiently to support the investment which the large tax cuts are supposed to spur. Heller said the result would be greater competition for scarce credit, further driving up interest rates.

"Tight credit and high interest rates are already stifling business investment and housing," Heller noted, adding: "A new twisting of the monetary noose could strangle them."

WHEN MONEY is tight, a labor economist noted, investment is more likely to occur "in high yield but high risk ventures unrelated to the needs of the economy," such as company takeovers, condominium conversions, gambling casinos and speculation in commodities.

While "supply-side economics" is often touted as a bold new approach to rescue the nation from the failures of old economic models, it bears a strong resemblance to the shop-worn "trickle-down" economics of past Republican administrations.

Indeed, Reuss said the current GOP program "almost exactly parallels the Harding-Coolidge 'Program for Economic Recovery' of the 1920s." Back then, he noted, taxes for the affluent were cut by more than two-thirds. Instead of investment, much of the savings "went into luxury consumption goods and speculative investment," Reuss said.

Also, the congressman pointed out, Harding-Coolidge budget cuts were accompanied by "regulatory reform, achieved by installing friends of regulated industries as the regulators."

"The redistribution of income away from the worker and farmer, and toward those at the top of the income scale," Reuss pointed out, "produced the bust" known as the Great Depression.

MORE RECENTLY, a program similar to the Administration's has been tried—in Great Britain. The results have been dismal. The tight money and social spending cuts imposed by the Conservative Thatcher government have produced the highest unemployment in Britain since the Depression. Business failures are epidemic. And inflation, the target of the policies, remains at double-digit levels.

As some critics put it, the Reagan program is a high-risk gamble, with workers and the poor taking the risks and the wealthy as the only sure winners.



TOP CONTRACT GOALS of the Postal Workers in scheduled negotiations with the Postal Service are catch-up wages, job security and improved safety, APWU President Moe Biller, center, said. He was questioned on Labor News Conference by Jerome Cahill, left, of the New York Daily News and Jeff Mills of the Associated Press. The program is produced by the AFL-CIO as a public service and is aired weekly on Mutual radio.



PUBLIC CONCERT and sing-along session concluded a three-day Labor Songs and Labor Lore Institute at the George Meany Center for Labor Studies. Songster Joe Glazer, right, leads the sing-along session. This year's institute drew participants from 16 unions.

Prepaid Group Health Care Held 'Best Buy' for Workers

Hershey, Pa.—Health maintenance organizations offer union members better care than conventional fee-for-service plans and unions should encourage their members to join them, AFL-CIO Social Security Director Bert Seidman told a conference on health care.

Seidman explained the federation's strong support for prepaid group practice health care "as the best buy for the medical care dollar" at a conference on Pennsylvania health maintenance organizations called by Gov. Richard Thornburgh.

PREPAID GROUPS, he said, provide higher quality and more efficient care. They select their doctors after rigorous screening, and physicians in health care centers work as teams to provide full review of each case.

Preventive health care and lifetime surveillance of health needs are also beneficial features of HMOs, Seidman pointed out, noting that the programs keep complete, readily available medical records.

HMOs are a factor in lower health care costs, Seidman told the conference of labor and business leaders, because they deliver all the phases of care, outpatient and hospital, directly to the patient.

"OVERALL COSTS for members, including both premiums and out-of-pocket costs, are 10 to 40 percent lower," Seidman pointed out. Because HMOs must provide care for the prepaid fee, they have an incentive to provide "necessary care in an appropriate setting" thus contributing to a lowering of hospital costs, he explained.

In addition, he said, the single prepaid fee removes barriers to receiving needed treatment since members "do not have the worry about the cost."

The AFL-CIO supported the 1976 amendments to the federal HMO law which give union bargaining agents the right to evaluate an HMO and decide whether to offer it to union members, but this was done only to protect the "integrity of the collective bargaining process," not to lessen the federation's support of HMOs, Seidman emphasized.

UNION MEMBERS should have the right to a choice between health care systems, he told the conference, stressing that the union should not be neutral if it believes an HMO is the best alternative for its members. Prepaid group plans also offer union members the opportunity to serve on their boards and influence policy, an advantage not possible in the fee-for-service sector, Seidman pointed out.

If prepaid group plans are to have an impact on the health care system in Pennsylvania, Seidman concluded, the groups must learn more about the needs and interests of unions and unions must learn more about the operations of HMOs.

Scholarship Fund Set in Memory Of Ruben Levin

A scholarship fund in memory of veteran labor editor Ruben Levin has been established by the Washington Area Friends of Histadrut.

The executive board of Labor newspaper, which Levin edited until his death in January 1981, announced at its spring meeting that it will contribute $2,500 to the fund which will provide an annual scholarship to an Israeli journalism student chosen by Histadrut, the general labor federation of Israel.

Labor is the national publication of 14 rail, airline and related transport unions.

The AFL-CIO International Labor Press Association and the Association of Railroad Editors have also said they will make contributions to the scholarship fund.

Levin, regarded by his colleagues as the dean of labor editors, joined Labor newsper in 1938 and became its editor in 1953. He was an active member of the Friends of Histadrut and a strong supporter of Israel.

Contributions are being accepted by Len Lurie, treasurer, Washington Area Friends of Histadrut, 1719 Ladd St., Wheaton, Md. 20902. Checks should be made payable to the Ruben Levin Scholarship Fund.

Inflation Rate Slows But Pay Lag Persists

(Continued from Page 1)

rate has been 9.4 percent—or 10.5 percent without seasonal allowances.

The nation's 36 million social security beneficiaries will receive an 11.2 percent cost-of-living insrease in July as a result of year-to-year changes in the Consumer Price Index for All Urban Consumers, a slightly different compilation. The social security rise reflects the inflation rate from the first quarter of 1980 to the first quarter of this year.

$23,134 for Middle Level

Budget for City Family Soars 12.8% Over Year

(Continued from Page 1)

Most American families were far short of the middle-level standard of living reflected by the intermediate budget. Indeed, the income of most families more closely approximated the lower budget level. The Census Bureau reports that the median income of all families with one wage earner in 1979—the latest year for which it has statistics—was $15,652.

BLS said the intermediate and higher budgets rose more than the lower budget in 1980 because of large increases in taxes and homeowner costs. In drawing up the budgets, BLS includes only rental housing in the lower budget. Both homeownership and rental housing are factored in the other budgets.

Total consumption costs—the sum of outlays for shelter, food, transportation, clothing, personal and medical care, and miscellaneous items and services—rose about 10 percent in the lower budget and 10.5 percent in the intermediate and higher budgets, with the largest increase occurring in transportation. **(See box, this page.)**

PERSONAL INCOME taxes in the three budgets include estimated 1980 federal, state, and local tax payments, which went up 29.6 percent at the lower level, 24.7 percent at the intermediate level, and 24.6 percent at the highest level. BLS said that the large increases in taxes were the result of the federal income tax structures of the federal government and many states, which call for higher tax rates as income rises.

"While the percent increase in income taxes for the lower budget was higher than for the other levels, the impact of the increases is more pronounced at the higher levels because taxes constitute a larger share of the total budget at these levels," BLS said. Changes in state tax codes occurred in a number of states, it pointed out.

The social security contribution rate was unchanged at 6.13 percent from 1979 to 1980, but the maximum income on which contributions are paid into the social security system increased from $22,900 to $25,900. As a result, social security deductions increased approximately 13 percent at the lower level and 14 percent at the other two levels. (The contribution rate rose last Jan. 1 to 6.65 percent, while maximum income on which social security taxes may be charged went to $29,700.)

AMONG CONSUMPTION costs, transportation expenses rose 15 percent for families on the austere budget, 14.3 percent for middle-level families, and 14.1 percent for those at the higher level.

Shelter showed an 8.2 percent increase in the lower budget and increases of about 12 percent in the intermediate and higher budgets. BLS said the larger increases in the shelter component of the middle- and upper-level budgets were due to a combination of higher mortgage-interest costs and large increases in fuel and utilities.

Most other consumption costs rose at about the same rate for each budget level. Food costs increased 10.5 percent across the board. Clothing expense went up 4.7 percent, personal care costs 10.8 percent, and medical care 10.8 percent for all families.

THE BUDGETS do not represent how families actually do or should spend their money. Rather, they reflect certain assumptions about the manner of living at each of three relative standards of living. The budgets are prepared annually.

The estimates are drawn up for a hypothetical family consisting of a 38-year-old man employed full time, his nonworking wife, and their 13-year-old boy and eight-year-old girl. The couple is assumed to have been married 15 years, the family settled in the community, and the husband an experienced worker. The family has, for each budget level, average inventories of clothing, house furnishings, major durables, and other equipment.

The budgets are prepared for 24 metropolitan areas, defined as those with more than 1 million people, four non-metropolitan regions (populations between 2,500 and 50,000), and Anchorage, Alaska. Nearly three-fourths of all Americans live in cities and metropolitan areas.

FOR THE lower budget, autumn 1980 costs were 6.5 percent higher in the metropolitan areas than in the non-metropolitan urban areas, BLS said. The difference was 12 percent in the intermediate budget and 17.9 percent in the higher budget. Total budget levels were lowest in small cities in the South.

In a special note, BLS said that a comprehensive revision of the family budget series is in the works and that a committee of experts has completed a study of the methodology involved and recommended a completely new approach. The study and recommendations are being reviewed by BLS as well as by a large number of persons outside the bureau, it said.

Two Unions Appoint New General Counsels

Two AFL-CIO unions announced the appointment of new general counsels.

The State, County & Municipal Employees named Winn Newman to head its legal staff after serving as general counsel for the Electrical, Radio & Machine Workers for the past 10 years. Newman, who previously was AFSCME general counsel 1968-71, succeeds Larry Weinberg, who will remain with the union's legal department.

Newman is succeeded at IUE by Robert Friedman, who has been the union's associate general counsel for the past several years. Friedman joined the IUE legal staff in 1967 as assistant general counsel.

City Family Budget Costs At Three Levels of Living

Summary of annual budgets for a four-person family at three levels of living, urban United States, autumn 1980.

	Lower budget	Intermediate budget	Higher budget
Total budget	$14,044	$23,134	$34,409
Total family consumption	11,243	16,969	23,266
Food	4,321	5,571	7,024
Housing	2,608	5,106	7,747
Transportation	1,160	2,116	2,751
Clothing	907	1,292	1,888
Personal care	352	471	668
Medical care	1,298	1,303	1,359
Other family consumption	597	1,109	1,829
Other items	583	957	1,610
Social security and disability	881	1,427	1,608
Personal income taxes	1,337	3,781	7,924

The Reagan Budget

Impact on the Metal Trades

Depletion of Skilled Crafts Threatened by Cutbacks

By Paul J. Burnsky
President, Metal Trades Dept.

To hear some of my colleagues in the labor movement tell it, our department and its 22 affiliated international unions are the lucky beneficiaries of the Reagan Administration.

They're only joking, of course, because they know better. But millions of Americans who know only that the Administration plans to expand the Navy by 50 percent in the next 10 to 15 years can't be blamed for assuming that the 250,000 workers who build and maintain ships, and the many more in supplier firms, can look forward to long-term, full-time employment. We wish it were so.

SIMILARLY, our department and its affiliates represent more than 60,000 workers employed by Dept. of Energy contractors. The Administration intends to wipe out that department. Such projects as synthetic fuels are already on the skids. The one segment of the department tagged for expansion is nuclear power, which happens to be the one where most of our energy people are concentrated.

At best, this is a very mixed blessing.

Let me first make the positive case for naval construction. We welcomed the modest Navy expansion program begun by President Carter near the end of his term. We are delighted that President Reagan proposes to broaden it substantially. This is only secondarily because shipbuilding creates jobs for our members. It is primarily because in any armed conflict short of a nuclear holocaust, adequate sea transport for men and materiel, adequately protected enroute, is indispensable to the defense of our country.

BUT THE Reagan big-Navy program is missing the boat. It concentrates on warships and ignores—even discourages—merchant ships. Merchant ships become wartime transports, the precious vessels that fighting ships protect. Yet the Administration wants to eliminate a subsidy covering the difference between U.S. and foreign construction costs, without which no ocean-going merchantmen at all would be built in this country.

This could doom Navy expansion. It takes at least three and as many as 10 years for a warship to progress from design to construction. For the next several years, then, Navy building will be limited to proven craft. Without merchant ships —needed in themselves—to fill the gap, shipyards will languish. The industry predicts as many as 40,000 workers will be indefinitely laid off. Some of the 24 major privately-owned yards will close.

EVERY ONE of those yards will be needed when the Navy's crash program matures a few years from now. Even the eight naval shipyards, which now do most of the modernization, maintenance and repair work for the fleet, will be returned to new construction for the first time in decades. But there will be neither yards nor manpower enough if the work they ought to be doing in the meantime is denied to them.

Less conspicuous but equally important is the erosion of suppliers. A shipyard is largely an assembly line. About half of what it puts together—steel, pipe, electrical equipment, valves, pumps—is manufactured elsewhere. But these things can't be picked up in your neighborhood hardware store. They are specialized items, built to Navy specifications. And unless there's a continuing demand for them, they are too much of a nuisance for most companies to make.

Admittedly, up to now my indictment of the Reagan Administration's maritime policies could have been—and often was—directed, with variations, at its peacetime predecessors. But there are differences.

THE FIRST difference wipes out any credit the Administration may have earned as champion of an expanded Navy. Both the Secretary of Defense and the Secretary of the Navy are "considering" building the U.S. fleet overseas.

To be sure, this is not a clear and present danger. Even Sen. Jesse Helms might object to a new USS North Carolina being built in Liberia or Japan. But the other differences are not groundless fears but bleak realities.

Here are some of them:

MANPOWER POLICIES. Shipbuilding crafts range alphabetically from Asbestos Workers to Upholsterers, embracing along the line the Boilermakers, Carpenters, Electricians, Machinists, Painters, Plumbers and 14 more. What they do in the shipyard requires special knowledge beyond the basics of their crafts.

As a group these craftsmen are growing older. Sporadic employment has driven away many younger workers and deterred others from replacing them. Government-supported apprenticeship and pre-apprenticeship programs have helped in the past, but not nearly enough to keep up with the losses. Against this background:

- There is no indication that the Administration is even aware of the impending shipyard manpower problem, much less disposed to do anything about it.
- Deep cuts in federal training programs at all levels will reduce even further the prospects of finding replacements for aging shipyard craftsmen. Increasing the skilled workforce seems next to impossible.

This isn't just a shipbuilding problem. Last year, 3,000 machinists were graduated from registered apprenticship programs. Manpower authorities say that 250,000 more will be needed in five years. Yet the Reagan budget will force the dismissal of 80 persons from the small staff of the Bureau of Apprenticeship & Training.

- Cutbacks in unemployment compensation will be a further deterrent to prospective workers, and to those who have been laid off, during this period of uncertainty in the shipyard industry. They will go elsewhere now, and few will be available when the Navy needs them.

In short, while the Navy worries in public about finding and keeping able crews to sail a bigger fleet, the Defense Dept. shows no concern about finding and keeping able workers to build it.

Apparently the only hope is that the construction of merchant ships in American yards will be stimulated rather than squelched, and that apprenticeship and other training will be enhanced rather than emasculated. The odds are poor.

SAFETY AND HEALTH. Our members hold some of the most hazardous jobs in the nation. They work where the footing is slippery, where the winds are strong, where the quarters are close, where the air is fetid, where the temperature is torrid or frigid.

When the Reagan Administration appraises health and safety measures according to their "cost effectiveness," our members' lives are in the balance. There may be some workplaces, in some occupations, where OSHA regulations can be "eased" and OSHA inspections "relaxed." None of our members works in them.

- A ship under construction is a large, complex and specialized place. A proper health and safety inspection cannot be conducted by an outsider without guidance from a knowledgeable worker. Yet the Secretary of Labor has withdrawn a regulation requiring that the worker member of the inspection team be paid his regular rate while on that duty.
- A move is afoot to exempt most surface miners except coal miners from the Mine Safety & Health Act. This would include our uranium miners.
- The Longshoremen's & Harbor Workers' Compensation Act is also on the Administration's hit list.

What seems to bother the Administration states-rights crowd is that a federal law works so much better and pays so much more realistic benefits than the worker compensation systems in many coastal states dominated by their allies.

- The earliest casualty on this list may be OSHA protection for federal workers, for its effectiveness is the result of an Executive Order rather than an act of Congress.

Soon after OSHA came into being, our Metal Trades Councils negotiated language in their federal shipyard contracts specifying conformity with OSHA standards and regulations. The language was impossible to enforce. In practical terms it was beyond the reach of the grievance procedure, and of course the federal workers cannot strike.

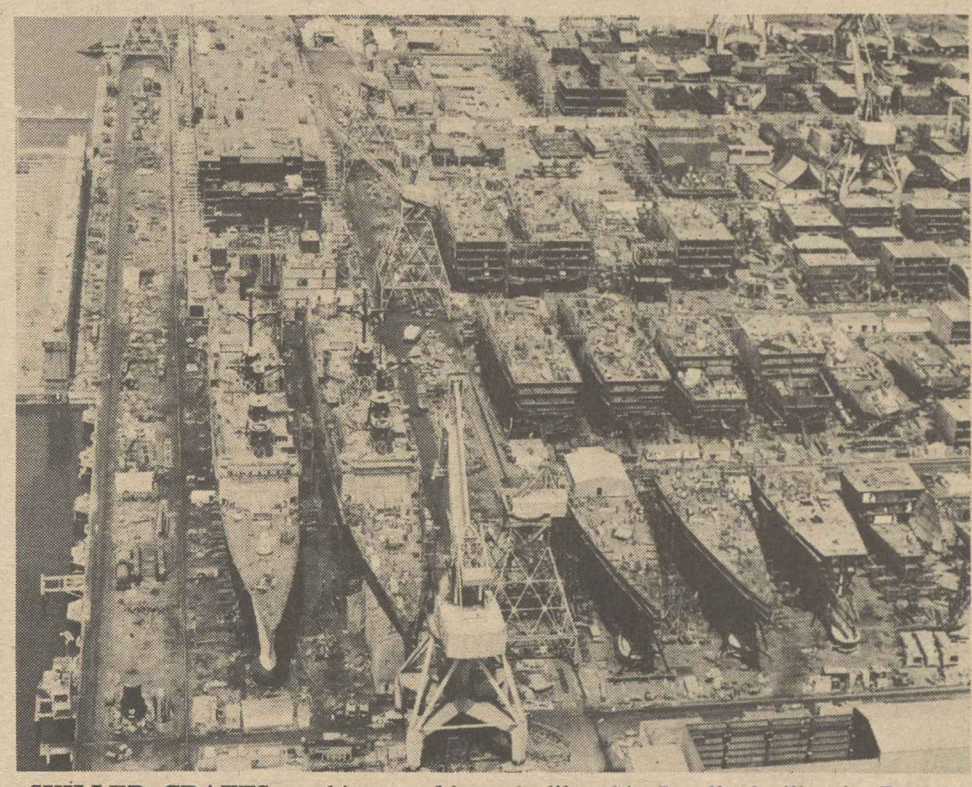
About a year ago President Carter created by Executive Order the Federal Advisory Council on Safety & Health, of which I am vice chairman. The council has been able to do what contract language could not.

Now, however, there is a new head of the Office of Personnel Management who has other ideas. Health and safety, he told an interviewer, is "primarily a labor-management issue," not one for government—as though government is not "management" in a federal shipyard. Besides, he said, his general view is that "things are going to be difficult for government employees." He ought to know.

An Executive Order survives only as long as the incumbent President wants it to.

- Finally, we cannot help worrying about places like Oak Ridge and Hanford. We, like the AFL-CIO, believe nuclear power is and will continue to be, at least for many years, vital to our country. We believe it is safe. But in an Administration that judges health and safety measures on their "cost effectiveness," will it be as safe as it has been in the past?

I don't in any way suggest there will be any deliberate neglect of the immeasureably important precautions required in nuclear installations. But their application within an overall policy that health and safety have finite value, measureable in dollars, creates a faint glimmer of worry that should not exist at all.



SKILLED CRAFTS working at shipyards like this Ingalls facility in Pascagoula, Miss., face an uncertain future under the Reagan Administration's program to expand Navy ship construction while ignoring the needs of the U.S.-flag merchant marine. Discouragement of merchant ship construction could cost the jobs of 40,000 shipyard workers represented by local councils of the AFL-CIO Metal Trades Dept.

This analysis of the impact of the Reagan Administration economic program on workers represented by the AFL-CIO Metal Trades Dept. is one of a series by the AFL-CIO News as a follow-up to recommendations stemming from AFL-CIO regional conferences.

Department's Local Units Cover 650,000 Workers

The Metal Trades Dept. is unique among the constitutional departments of the AFL-CIO in that it functions in part like an international union.

Eighty local and regional Metal Trades Councils, from the East Coast to Hawaii, are certified bargaining agents for more than 650,000 workers in several hundred units, ranging from less than a dozen workers to more than 10,000.

Eleven of the councils represent 70,000 federal employees, most of them in the eight Navy and two Coast Guard shipyards. Together with workers in almost 300 private shipyards, large and small, they make MTD the nation's largest union of shipbuilders.

The other half-million workers for whom MTD councils bargain are found in a wide variety of operations, from atomic energy to petrochemicals to uranium mining. More than 30,000 work for Dept. of Energy contractors. (Affiliated unions of the department represent about the same number.)

All Metal Trades Councils are formed from local unions of the department's 22 affiliates, although it is rare for all 22 to have locals in the same establishment. The workers are members of their respective locals and pay per capita to the parent union. They collectively decide the additional dues that will be checked off to support the council, whose officers they elect. The council executive board is comprised of local union delegates.

Workers covered by council collective bargaining agreements amount to less than 15 percent of the total membership of department affiliates. However, direct and indirect services to the councils make up the bulk of the department's program.

Sex Discrimination Case

Court Absolves Unions Of Liability for Bias Pay

The Supreme Court unanimously rebuffed an airline's attempt to make unions share the cost of back pay it owes to women flight attendants who won a class action sex discrimination lawsuit.

Northwest Airlines had been found by a federal district court to have violated the Equal Pay Act of 1963 and Title VII of the Civil Rights Act of 1964 by paying its stewardesses less than male pursers for work requiring "equal skill, effort and responsibility . . . performed under similar working conditions."

THE AIRLINE then sued the Air Line Pilots and the Transport Workers, the two unions which at different periods had represented flight attendants. It said that since the unions were parties to collective bargaining agreements that incorporated discriminatory pay scales, they should share liability for back pay under a "right to contribution" legal doctrine.

The stewardesses had not sued the unions and expressly stated in court proceedings that they did not consider the union representing them responsible for the discrimination.

In its 8-0 decision, the Supreme Court said the airline would not have a valid claim even if the unions were assumed to have been at least partially responsible for the violations of the law.

IN BOTH LAWS, the Supreme Court noted, Congress carefully spelled out the remedies available to aggrieved workers and the means of enforcement. Therefore, the court concluded, "it would be improper for us to add a right to contribution to the statutory rights that Congress created in the Equal Pay Act and Title VII."

The Supreme Court decision was along lines that had been urged in a joint brief filed by the AFL-CIO and the UAW, and in a brief filed by the federal Equal Employment Opportunity Commission.

The decision, written by Justice John Paul Stevens, made clear that denial of the "right of contribution" doctrine in the case of the two laws under consideration did not necessarily carry over to other laws that may be less carefully drawn. A case pending before the Supreme Court involving the right of contribution in antitrust verdicts involves a different set of laws, the court noted.

IN ANOTHER action of significance to unions, the Supreme Court declined to review and thus left standing a decision by the U.S. Court of Appeals for the District of Columbia involving a construction site picketing ruling.

The case involved a non-union electrical subcontractor in Florida who was being picketed by the International Brotherhood of Electrical Workers at a residential construction site. The picketing was confined to the gate reserved for the non-union firm while other firms working on the project used a separate gate. However, when electrical fixtures to be installed by the subcontractor were delivered through the "neutral gate," the IBEW extended its picketing to that gate as well, and the National Labor Relations Board upheld the union's right to do so.

The appellate court upheld the NLRB, and the Supreme Court action ended the case.

'Tell Ya What I'm Gonna Do . . .'



Budget Slashers Woo Right-Wing House Democrats

(Continued from Page 1)

the House will have a chance to act on the amendments that will be in order, including the Latta-Gramm substitute.

The White House and its conservative organization allies have been doing their own lobbying during the Easter recess. President Reagan made a well-publicized phone call that was carried live by a Pennsylvania radio station to seek and apparently get the support of Democrat Eugene V. Atkinson for his budget proposal. And the President announced that he will address a joint session of Congress the day before the House is to act on the budget.

A GROUP of Reagan-supporting governors promised to lobby their congressional delegations for his program, and the right-wing American Conservative Union called on its followers to flood congressional offices with messages supporting the Reagan economic program.

The Republican-controlled Senate has already adopted part of the President's program through a reconciliation bill directing congressional committees to cut spending authority for programs in their jurisdiction.

Spurt in Economic Growth Seen Unlikely to Continue

The nation's economy grew at a surprising annual rate of 6.5 percent during the first three months of the year, according to a preliminary report by the Commerce Dept. But AFL-CIO Research Director Rudy Oswald warned that the economy will not be able to sustain such growth in the months ahead.

"Even with the strong growth of sales," Oswald noted, "unemployment remains at the very high plateau of 7.3 percent, with 1.5 million more people out of work than a year and a half ago."

THE FIRST-QUARTER advance in "real" gross national product, the nation's total output of goods and services, was the largest quarterly expansion in the economy since the 9 percent real growth rate in the second quarter of 1978. It compared with an annual growth rate of 3.8 percent in 1980's fourth quarter.

Commerce Sec. Malcom Baldrige attributed much of the first-quarter strength to "the upward momentum of the economy during the fourth quarter." He predicted that the economic growth would "flatten out" in the current and third quarters of 1981. He cited the following recent developments to support this view: non-auto retail sales have slowed in the past few months; domestic new-car sales have slumped since late March; industrial production has been flat for the past two months, and the level of nonfarm payroll employment stopped growing at the end of the first quarter.

BALDRIGE ALSO noted that consumer spending has been growing more rapidly than disposable income for three quarters. As a result, the personal savings rate declined to 4.7 percent of disposable income in the first quarter from 5.1 percent in the preceding quarter and 6.1 percent in the 1980 third quarter. He predicted that there will be a "substantial slowing" in consumer spending growth in the months ahead.

Meanwhile, the cost of money went back up a notch as most large U.S. banks raised their prime lending rates to 17.5 percent from 17 percent.

In other economic reports, the Commerce Dept. reported that housing starts climbed at a fairly mild annual rate of 5.8 percent in March, not nearly enough to make up for the sharp slide of 26.9 percent the month before. Many economists see further declines in new housing construction ahead.

THE COMMERCE DEPT. also reported that personal income rose only eight-tenths of 1 percent last month, another indication that the economy is slowing down. That followed increases of seven-tenths of 1 percent in February and 1.1 percent in January.

Separately, the Federal Reserve Board reported that the nation's factories operated at a seasonally adjusted 79.5 percent of capacity in March, about the same as February's 79.4 percent rate and still below January's 80 percent.

West Virginia Legislature Buries R-T-W

Charleston, W. Va.—The West Virginia legislature buried an attempt to saddle the state with a so-called right-to-work law, becoming the sixth state to reject a compulsory open shop law this year. In the 1981 session just ended, the legislature also approved a series of important labor-supported bills.

The open shop bill, dubbed a "right to freeload" measure by State AFL-CIO President Joseph W. Powell, was introduced in the state senate following a statewide media and personal appearance blitz staged by officials of the National Right to Work Committee based in Arlington, Va.

POWELL'S head-on rebuttals of the anti-union organization's arguments and his testimony before the senate labor committee contributed heavily to that committee's voice vote to postpone action on the bill indefinitely.

"Right to work" measures were killed earlier this year in Maine, Vermont, New Mexico, Idaho and Montana.

In another major success for labor, the state legislature approved a bill that will sharply tighten requirements on employers to identify hazardous chemicals in use in the workplace and disclose symptoms that can result from improper exposure to them. An attempt to cut out a section authorizing the state to monitor compliance was successfully beaten back.

ALSO ENACTED was a compromise bill intended to restore solvency to the state's unemployment compensation fund within two years through higher employer taxes. Although the bill calls for elimination of benefits for workers who voluntarily quit or are fired for misconduct, labor was successful in keeping provisions that put the burden of proof on the employer when a worker charges that he or she was forced to quit.

The State AFL-CIO strongly supported another new law that prohibits employers from eavesdropping on employee's telephone conversations without their knowledge. The measure closes a loophole in a 1968 federal wiretap law that lets telephone company supervisors listen in on workers on the job without notice.

The legislature voted to increase the state minimum wage as of Jan. 1, 1982, from $2.75 to $3.05 an hour.

AMONG OTHER new legislation is a measure permitting the state labor commissioner to require new construction or mining contractors to post bond covering one month's wages and benefits. This is designed to protect workers from employer bankruptcies or contractors who leave the state without paying wages.

A backlog of pending workers' compensation claims should be eliminated by a law requiring the compensation appeals board to meet monthly rather than every two months, the State AFL-CIO said.

Powell credited the passage of the wide range of beneficial legislation to labor's successful efforts in the 1980 primary elections to dump conservative legislators who had dominated the state senate for a number of years. The new senate president, he pointed out, has posted a 100-percent "right" voting record by COPE standards.

Army Hit on Purchase Of Japanese Trucks

A new program to help the automobile industry by accelerating planned government purchases of motor vehicles has no value if the vehicles are foreign made, AFL-CIO Research Director Rudy Oswald stressed in a letter to Transportation Sec. Drew Lewis.

Oswald said labor's concern stems from a recent purchase by the Dept. of the Army of 40 Japanese-built Datsun trucks for use at Ft. Devens, Mass.

4/25/81

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Rail Workers Battle Cutbacks

AFL-CIO News

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UAW Vote Clears Way to Reaffiliation

Detroit—A resolution authorizing the executive board of the Auto Workers to "take the necessary steps" for reaffiliation with the AFL-CIO has been approved by 62 percent of the union's convention delegates, and UAW President Douglas A. Fraser termed the vote a message of solidarity.

Fraser said the UAW leadership will "move quickly" to discuss with the AFL-CIO "the final terms and conditions of the reaffiliation so that we can consummate it without undue delay," possibly at a UAW board meeting scheduled for June.

THE EXECUTIVE board of the 1.2-million member union had unanimously recommended the reaffiliation resolution which was adopted.

The votes were cast by delegates who had represented their locals at the UAW's most recent triennial convention, held last June. To avoid the expense of bringing the delegates to a single location, the balloting took place at regional meetings across the country.

Ballots cast at the various locations were then combined and the resolution was adopted by a margin of 7,785 to 4,527.

The UAW and its president, the late Walter P. Reuther, had a major role in the formation of the AFL-CIO in 1955.

IT LEFT the federation in 1968. But in recent years, Fraser noted, the UAW and the AFL-CIO have worked closely on a number of important issues, including the campaign for comprehensive national health insurance and other union goals.

"Having a unified labor center in this country can only strengthen the trade union movement at a time when it is under severe attack from irresponsible corporations and their political allies," Fraser said.

He said the union's "rank-and-file convention delegates" have shown their desire "to work together and fight together with our brothers and sisters in the labor movement."



VICTIMS VIGIL brings trade unionists and environmentalists to the steps of the U.S. Capitol to protest Reagan Administration attacks on job safety regulations and clean air standards. Addressing participants is Eula Bingham, head of OSHA during the Carter Administration. Other speakers included President Howard D. Samuel of the AFL-CIO Industrial Union Dept., President Lloyd McBride of the Steelworkers and Sec.-Treas. Jacob Sheinkman of the Clothing & Textile Workers. The vigils will be conducted weekly.

Attack on Davis-Bacon Hit as Pay-Cutting Tactic

Repeal of the Davis-Bacon prevailing wage law would give the construction industry's most unscrupulous employers preference in the awarding of government contracts, Building & Construction Trades Dept. President Robert A. Georgine warned at Senate Labor subcommittee hearings.

Sen. Don Nickles (R-Okla.), chairman of the panel, opened the hearings by calling for repeal of the law, which he termed "inflationary and wasteful." The Labor Dept., he said, should not be "in the business of setting local wage rates."

Georgine, who also testified on behalf of the AFL-CIO, countered that there is "still a compelling need" for the 50-year-old law which requires payment of community wage scales and benefits on federally financed construction projects.

IN FACT, Georgine suggested, a failing has been inadequate enforcement of the law. Among many abuses that have surfaced, Georgine noted, were contractors who falsified payroll data to conceal the fact that they were paying workers substantially less than the Davis-Bacon wage. Other contractors have classified employees doing highly skilled work as laborers, paying them the lower wages. Minority workers and workers without immigration docu-

(Continued on Page 8)

Service Employees, RWDSU Announce Plan for Merger

Bal Harbour, Fla.—A merger plan that would unite the Service Employees International Union and the Retail, Wholesale & Department Store Union has been endorsed by the executive boards of both unions.

Their joint statement said the projected merger would unite 910,000 union members, including 95,000 in Canada. The SEIU now has 675,000 members and the RWDSU 235,000.

Final action on the merger will be taken at separate conventions of the two unions, to be held prior to June 30, 1982.

Both SEIU President John J. Sweeney and RWDSU President Alvin E. Heaps stressed that merger will bring some 300,000 health care workers under the same banner. The SEIU presently has some 200,000 health care workers and the National Hospital division of the RWDSU represents about 100,000 workers.

Under the merger plan, Sweeney will be president of the new organization and SEIU Sec.-Treas. Richard Cordtz will be

(Continued on Page 3)

20,000 Join In March to Capitol Hill

By James M. Shevis

Nearly 20,000 angry railroad workers marched on the Capitol to let the country know that they are not passively going to accept devastating federal budget cuts that would destroy the railroad industry and take away their jobs.

"We have fought long and hard for what we have," Chairman Fred J. Kroll of the Railway Labor Executives' Association told a noon rally on the Capitol's West Front. "We will fight just as long and just as hard to preserve our rights, our working conditions, and our jobs."

THE DEEP budget cuts proposed by the Reagan Administration would turn Conrail, the federally subsidized freight railroad, into a mere skeleton, and eliminate its passenger counterpart, Amtrak, as a nationwide intercity system, he warned.

The cutbacks would cost over 70,000 jobs and, because the number of contributors to the Railroad Retirement Fund would be reduced roughly by a corresponding number, the railroad pension system would face almost certain bankruptcy by 1983, Kroll warned.

AFL-CIO President Lane Kirkland, who also addressed the rally, told the railroad workers that "you can count on the full support of the AFL-CIO and all its unions" in the fight for economic justice against the budget cuts. He labeled President Reagan's proposed cutbacks "a program for disinvestment in America's future," and urged Congress to "stop it in its tracks."

"WE CANNOT let the future of our country be jeopardized by a misguided attempt to pinch pennies from the federal

(Continued on Page 6)

OSHA Facing New Assaults on 10th Anniversary

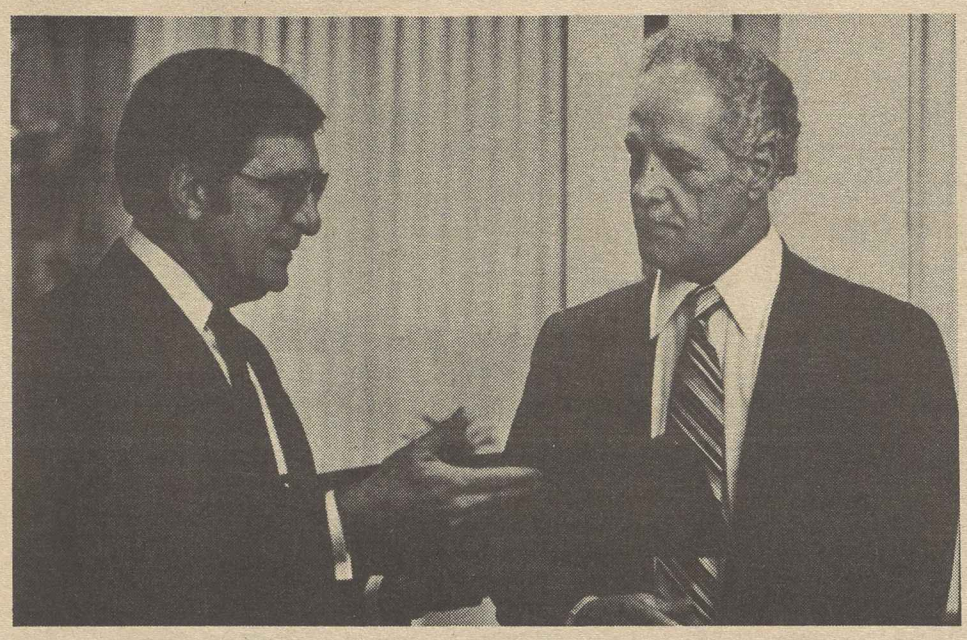
By John R. Oravec

Unmet promises and grim prospects for improving the safety and health of American workers marked the 10th anniversary of the Occupational Safety & Health Act.

AFL-CIO Sec.-Treas. Thomas R. Donahue called for labor to commemorate the anniversary with a renewed commitment to defend OSHA against Reagan Administration assaults.

Addressing union members and environmentalists deeply concerned with Administration cutbacks, Donahue assailed "an outrageous and wholesale attempt to

(Continued on Page 3)



MERIT AWARD of the United Way of America is presented to President Peter Bommarito of the Rubber Workers by William Aramony, left, national executive of the organization. Bommarito is chairman of the AFL-CIO Community Services Committee and is a former member of the United Way board of governors.

High Court Urged to Uphold Right to Leaflet Fairground

The constitutional guarantee of free speech that assures the right to distribute leaflets to passersby on city streets applies equally to the streets of a state fairground, the AFL-CIO declared in a brief to the Supreme Court.

At issue is the constitutionality of a Minnesota state fair regulation prohibiting sale or distribution of any "printed or written material" except at booths rented from the state fair authorities. Under state law, violation of a regulation imposed by the fair's governing body is a misdemeanor.

THE INTERNATIONAL Society for Krishna Consciousness challenged the restriction as an infringement on religious freedom, and the Minnesota Supreme Court upheld the challenge in a split decision.

That decision, which the U.S. Supreme Court agreed to review, held that the state's interest in keeping order at the fairgrounds could be met without such a sweeping curb on solicitation and distribution. It said specific actions that disrupt traffic or fairgrounds activities could be dealt with if they occur, but the state had not shown the need for a broad prior restraint.

While the Krishna group made its argument on the right of religious freedom, the AFL-CIO brief focused on the free speech aspect of First Amendment guarantees.

LAWS RESTRICTING distribution and solicitation had been used against unions, especially during the 1930s and 1940s, until struck down by landmark Supreme Court decisions, the AFL-CIO noted.

Past precedents are so clearcut, the AFL-CIO suggested, that "the only issue which even arguably presents an open question is whether the fact that this case concerns streets, roads and parks of a state's fairgrounds rather than streets, roads and parks of a permanently-established town business district fundamentally alters the First Amendment analysis."

THE AFL-CIO brief disputed Minnesota's assertion that the governmental interest in avoiding possible annoyance to fairgoers is greater than that of a city with respect to pedestrians.

The 125-acre fairground, with a network of roadways and walkways is different than a closed arena or a ballpark, the AFL-CIO insisted. The fairground is "closed only in the sense that a medieval walled city is closed," the brief stressed, and fairgoers can easily avoid unwanted solicitations by simply "walking on" just as they can on a city street.

Pilots to Target New York Air's Corporate Links

The Air Line Pilots announced a major campaign to pin responsibility for the union-busting tactics of New York Air on its corporate siblings—Texas Air Corp. and Texas International Airlines Group.

Its goal, the union said, is to have the chief executive of Texas Air, Frank Lorenzo, recognize ALPA's union representation rights on New York Air through its existing contract with Texas International Airlines.

"Frank Lorenzo and his airlines are out to break the unions, and we have to stop him in his tracks," ALPA President John J. O'Donnell said.

O'DONNELL announced that the union has retained Ray Rogers, who was involved in the corporate campaign strategy that the Clothing & Textile Workers used to help bring J. P. Stevens & Co. to the bargaining table.

Rogers charged that New York Air, which has been operating non-union, is actually part of a company that is 85 percent organized "and that is making a well-planned, concerted effort to destroy these unions."

O'Donnell said Texas International "reneged on a contract settlement" with ALPA last year and the union still hasn't been able to get a new contract.

ULLICO Stockholders Elect Four Union Presidents

Stockholders of the Union Labor Life Insurance Co. elected four labor leaders to the company's board of directors at their 55th annual meeting.

The four are President J. C. Turner of the Operating Engineers, President Robert A. Georgine of the AFL-CIO Building & Construction Trades Dept., Bricklayers President John T. Joyce, and President John DeConcini of the Bakery, Confectionery & Tobacco Workers.

For First Year

New Major Contracts Boost Pay 9 Percent

Contracts negotiated by major bargaining units of 1,000 or more workers in the first quarter of 1981 provided average wage increases of 9 percent in the first year of the agreements and 7.7 percent annually over the life of the pacts.

The figures compare with an average first-year increase of 9.5 percent and a 7.1 percent over-term annual increase averaged in contracts negotiated during all of 1980.

The first-quarter data cover 58 settlements involving 202,000 workers—the smallest number of workers covered in a given quarter since the Bureau of Labor Statistics began issuing the series in 1968. The increases do not include estimated wage boosts under cost-of-living adjustment clauses.

SETTLEMENTS in the first quarter were concentrated in non-manufacturing industries, with few contracts reached in manufacturing or construction industries, BLS said.

Separately, BLS reported that productivity in U.S. businesses increased sharply in the first quarter, reflecting the big jump in overall economic output for the period. Output per hour worked rose at a seasonally adjusted 3.6 percent annual rate in the January-March quarter, after declining at a four-tenths of 1 percent annual rate in the 1980 fourth quarter.

In its report on major contracts, BLS said that key contracts covering 5,000 or more workers each provided a 10.4 percent first-year increase in combined wage and benefit increases and a 7.3 percent yearly boost over the life of the agreements.

THE FIGURES compare with increases of 10.4 percent and 7.1 percent, respectively, in contracts negotiated by large bargaining units during 1980. Settlements for large units covered only 88,000 workers in the first quarter.

Other highlights of first-quarter bargaining:

- Negotiated increases in pacts with cost-of-living provisions averaged 7.6 percent, compared with 9.9 percent for contracts without such clauses. Over the life of the contracts, the annual wages were 6.1 percent for contracts with COL clauses and 8.8 percent for those without. About 41 percent of the workers under settlements reached in the January-March period were covered by contracts with COL clauses.
- In manufacturing industries, negotiated wage increases averaged 9 percent in the first contract year and 6.7 percent over the life of the agreements. In 1980, the comparable figures were 7.4 percent and 5.4 percent.
- In all non-manufacturing industries, the averages were 9 and 8.1 percent, respectively, compared to 10.9 and 8.3 percent respectively in 1980.
- First-year raises in construction averaged 13.4 and 11.6 percent, respectively, compared to 13.6 and 11.5 percent in 1980.
- The average length of contracts negotiated was 34.1 months, slightly lower than the 34.6 months when the same parties previously bargained.
- Cost-of-living clauses were introduced or re-established in two agreements and dropped in four. Some 56 percent of the workers were covered by clauses with quarterly reviews and 35 percent with annual reviews. The most common formula provided adjustments of 1 cent an hour for each three-tenths of a point rise in the federal consumer price index.

WAGE INCREASES actually paid out during the first quarter of 1981—that is, current wage changes paid under 1981 settlements, increases under contracts negotiated in earlier years but deferred until 1981, and adjustments under COL clauses —went to 3 million workers, BLS said. These effective wage increases averaged 3.6 percent.

BLS said that COL clauses triggering wage increases in the first quarter of 1981 provided pay gains averaging 96 percent of the rise in the CPI during that same period.

In the current April-June quarter, 320 major agreements covering 962,000 workers, largely in the construction industry, are due to expire or may be reopened, BLS said. Also, at least 87 contracts covering 733,000 workers expired prior to Apr. 1, but new agreements had not been reached or ratified by the end of the first quarter in those sectors, which included coal mining and railroads.

Top Steelworker Officers Elected Without Contest

Pittsburgh — Steelworkers President Lloyd McBride and the USWA's four other international union officers have won new four-year terms as the nominating period ended with no other candidates qualifying for ballot spots.

Under the union's constitution, candidates without opponents are declared elected and do not appear on the May 28 election ballot.

The USWA leadership team, all first elected in 1977 and now chosen for an additional four-year term, includes Lynn Williams, secretary; Frank McKee, treasurer; Joseph Odorcich, vice president for administration, and Leon Lynch, vice president for human affairs.

Also elected unopposed were E. Gerard Docquier, the USWA Canadian national director, and 10 district directors. Contests are scheduled in 12 other USWA districts where from two to four candidates received sufficient local union nominations to qualify for ballot spots.

Elected without opponents were William Foley, Dist. 1; Len Stevens, Dist. 3; Clement Godbout, Dist. 5; Paul J. McHale, Dist. 9; Paul D. Rusen, Dist. 23; Frank Valenta, Dist. 28; Buddy W. Davis, Dist. 34; Bruce Thrasher, Dist. 35; Thermon Phillips, Dist. 36 and Robert Petris, Dist. 38.

New Hampshire Rejects Revived Drive for R-T-W

Concord, N.H.—Labor's allies in the New Hampshire legislature handed "right-to-work" advocates a stinging defeat as the House killed a measure to bar the union shop in the state, 189 to 160.

Two years ago, the anti-labor legislation passed the House, 183 to 161, but subsequently went down to defeat in the Senate. Labor's opposition, led by State AFL-CIO President Harland Eaton and former President Donald B. Cowette, who had to resign his post in the middle of the session for health reasons, was even more effective this year.

Opponents of the bill won adoption of a measure prohibiting reintroduction of a right-to-work bill in this legislature, making it impossible for RTW forces to renew their attack before 1983.

Labor now has won battles with the right-to-workers in seven states this year. Bills to do away with the union shop died in committee or on the legislative floor in Vermont, Maine, Idaho, West Virginia, and Maryland as well as in New Hampshire. In New Mexico, Democratic Gov. Bruce King vetoed an RTW measure, as he did in 1979.

Grace Succeeds Stephens On Labor Press Council

Mike Grace has been elected to the executive council of the International Labor Press Association. Grace, 33, is director of public relations for the AFL-CIO Public Employee Dept. and editor of the department's newspaper, In Public Service.

Grace will fill the unexpired term of Bernard Stephens, who resigned from the ILPA Executive Council following his retirement as editor of Public Employee Press, the publication of State, County & Municipal Employees District 37 in New York.

Labor Fights to Save Law

New Attacks on OSHA Mark 10th Anniversary

(Continued from Page 1)

undo everything that OSHA promises." He said the attack on federal job safety standards "has come in the name of balanced budgets, regulatory reform and cost effectiveness."

LISTING A number of OSHA standards and related programs that have fallen victim during the new administration's first 100 days, "it becomes quite clear that the federal government has switched sides," Donahue said.

"A law designed to protect workers has been twisted to say that the employer must be 'protected' from the workers' quest for a safe and healthful workplace," he said.

The 10th anniversary observance began on the steps of the U.S. Capitol with the first in a series of "Victims Vigils" mobilized by the Industrial Union Dept. and environmental groups. Participants carried placards bearing the names of fellow trade unionists from New York state who were killed on the job or died of job-related disease. The vigil concluded with a demonstration outside the White House.

President Lloyd McBride of the Steelworkers charged that the Administration—"in collusion with employer groups and certain members of Congress"—wants to destroy OSHA.

"IN THE NAME of some half-baked economic theory called 'cost-benefit analysis,' the Reagan Administration has launched a blatant political effort to not only stop any future safety and health standards, but to dismantle those protective standards already in place," McBride told the vigil participants.

One such move by the Administration that will have a deep impact on USWA members is the proposal to seriously weaken the lead standard, he said.

McBride welcomed the strengthening of ties between the environmentalists and labor, pointing out that, like OSHA, the Clean Air Act is coming under attack.

"For our part," he stressed, "we are not about to subject steelworkers, their families and their communities to polluted air which can kill and disease just as easily as lead exposure."

Eula Bingham, who headed OSHA during the Carter Administration, said she was "ashamed that our government is turning the clock back" on needed worker protections.

To retreat on standards now, she observed, is to penalize employees who have improved conditions to comply with regulations and to allow those who have not to compete unfairly in the market.

Sec.-Treas. Jacob Sheinkman of the Clothing & Textile Workers warned that the Reagan pullback on the lead and cotton dust standards is the start of a campaign to wipe out other protections, including those against asbestos and vinyl chloride.

As for the cotton dust standard, Sheinkman pointed out that 35,000 textile workers have already fallen victim to disabling brown lung disease.

To reverse what little progress has been made would "condemn another generation of 50,000 American textile workers to the tortured wheezing and coughing which have struck down so many already," Sheinkman stressed.

He said the bottom line of the cost-benefit precept the Administration is imposing is simply "lives versus dollars."

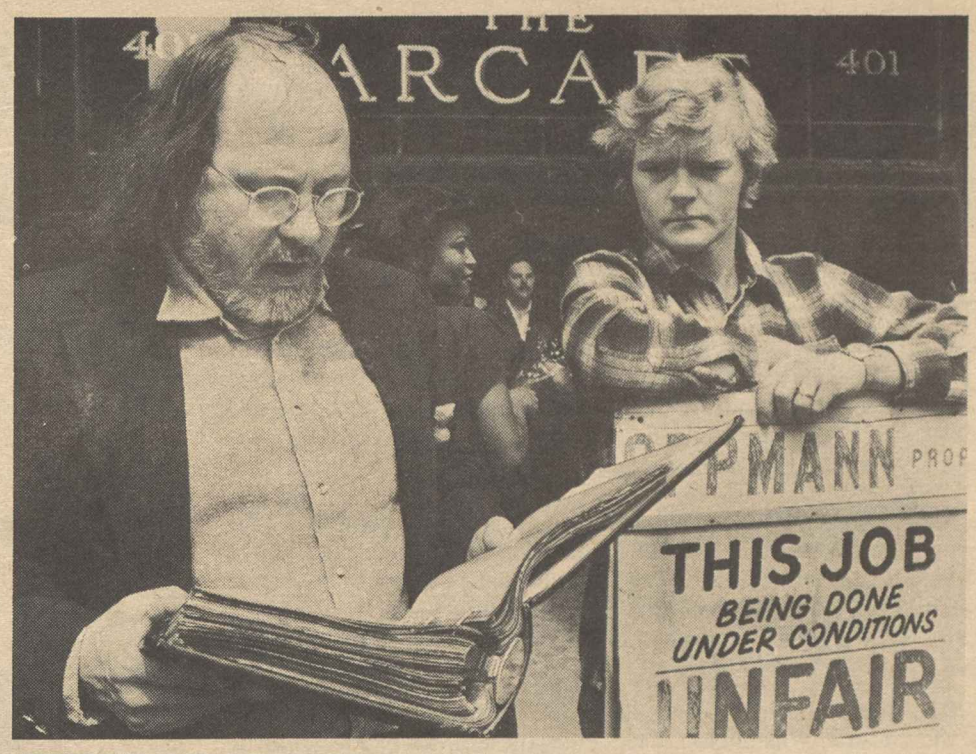
IUD PRESIDENT Howard D. Samuel announced that the "Victim Vigils" would be conducted regularly in Washington on Mondays in coming weeks. The May 4 vigil at the Labor Dept. headquarters will focus on the concerns of ACTWU on the cotton dust pullback. Memorials for workplace victims from various states will follow: Pennsylvania, May 11; Ohio, May 18, and Wisconsin June 1, with several other states scheduled to participate in subsequent weeks.

Donahue noted that in addition to the gutting of safety and health standards, the new administration of OSHA has embarked "on a new game—censorship."

He pointed out that publications, films and slide shows developed to inform workers of workplace hazards have been banned under orders of the agency's new director, Assistant Labor Sec. Thorne G. Auchter.

UNDER THE redesigned approach of OSHA, Donahue warned that worker protections would be required only if they are economically efficient for employers.

"Benefits must outweigh costs, and the cheapest method—regardless of its effectiveness—may well be good enough," he said. "Instead of engineering problems out of the workplace, the new OSHA proposes redesigning the worker by slapping on a respirator" or other ineffective gadgets.



TWELVE O'CLOCK POET Daniel Thompson reads verse outside Cleveland Arcade for lunch-hour passers-by and members of Carpenters Local 182 who have set up an informational picket line to protest the hiring of non-union workers and the failure to pay the prevailing wage for a Post Office project in the arcade. Thompson, a family counselor for Cuyahoga County social services, had treated shoppers at the downtown complex to regular poetry readings until the picket line went up. Then he moved outside with the pickets.

Joseph Power Dead at 61, Headed Plasterers Since '70

Joseph T. Power, president of the Plasterers & Cement Masons for the past 11 years, died of cancer Apr. 27. He was 61.

Power began his trade union career as an apprentice with OPCM Local 5 in Chicago. He served as vice president and president of the local in the 1950s and was elected executive vice president of the international in 1959.

In mid-1970, Power was appointed president of the OPCM and was elected to his first full four-year term as president at the union's convention the following year.



JOSEPH T. POWER

AFL-CIO President Lane Kirkland and Sec.-Treas. Thomas R. Donahue said that Power's death is a loss shared by all union members.

"JOE SET A model of personal integrity and dedication for the entire labor movement and those elected to lead it," Kirkland and Donahue said.

"His warmth and sincerity were his hallmarks and reflected great credit on the union he loved and served so well. Those who were privileged to have known him and to have benefited from his counsel and friendship are richer today," they declared.

Power had been a vice president and member of the executive council of the AFL-CIO Building & Construction Trades Dept. since 1970 and had represented the federation as a worker delegate to the International Labor Organization.

He is survived by his wife, Mary, and six children, including Kathryn Van Helden and Jay Power of the AFL-CIO staff. Services were held May 1 at St. Anthony's Church in Falls Church, Va., and burial was in Arlington, Va.

CWA, Bell System Establish 'Quality of Worklife' Guide

The Communications Workers and the American Telephone & Telegraph Co. announced adoption of a joint statement of principles to guide efforts to improve the quality of worklife in the Bell System.

The statement was drawn up by a CWA-AT&T committee on joint working conditions and service quality improvement established in national negotiations last August. The statement emphasizes that efforts to enhance the quality of worklife supplement collective bargaining, and that employee participation is voluntary.

"The integrity of the collective bargaining process, the contractual rights of the parties, and the workings of the grievance procedure must be upheld and maintained," the parties observed.

GOALS OF the program are "to employ people in a profitable and efficient enterprise," and to "create working conditions which are fulfilling by providing opportunities for employees and groups at levels to influence their working environment." CWA represents some 525,000 employees of AT&T and its Bell System telecommunications network.

CWA President Glenn E. Watts called the joint statement "an historic agreement that can have a significant impact far beyond this one industry. The whole area of quality of worklife is of great concern to today's workers—especially with the rapid introduction of advanced technology into the workplace.

"It is a subject that unions and employers will be dealing with at the bargaining table increasingly in future years."

THE JOINT statement of principles points out that innovations which result from the quality of worklife process will not result in layoffs or downgrading in pay or seniority of any worker, whether he or she is a participant in the process or not.

The parties named union and company coordinators to oversee projects at each AT&T subsidiary. Representing CWA are Executive Vice President John C. Carroll, Vice President W. C. Button, and Dina G. Beaumont, executive assistant to Watts.

The company and the union expressed a commitment to "providing the necessary information and training" to make quality of work life projects successful, and established a subcommittee to begin developing a training program in this area.

Carroll said that programs already are in place in the traffic department at Illinois Bell and in the plant department of Michigan Bell in Detroit. The major concern of the two projects, he said, is "how to make the work place a better place to work. Carroll predicted that programs would be established at every Bell company by the end of the union's current contract with AT&T.

Donald Dotson Named For Labor Dept. Post

Donald L. Dotson, a management lawyer and a former National Labor Relations Board attorney, has been nominated by President Reagan to be Assistant Secretary of Labor for Labor-Management Relations.

Dotson, 42, has been chief labor counsel at Wheeling-Pittsburgh Steel Corp. since 1976. Previously he had been a labor attorney for Western Electric and Westinghouse. He was on the NLRB staff from 1968 to 1973.

SEIU, RWDSU Boards Announce Plan for Merger

(Continued from Page 1)

secretary-treasurer. A new position of executive vice president would be filled by Heaps.

The joint statement said the merged union's leadership would also include RWDSU Sec.-Treas. Lenore Miller and Leon Davis, now head of the RWDSU hospital union division.

Sweeney said the planned merger will "substantially" improve the bargaining power of workers in service-related fields that are traditionally low paying with many women and minority employees.

"These are the people most in need of a strong union," he said, "who stand to benefit most from the proposed merger."

HEAPS NOTED the past competition to organize health care workers and said "merger would mean that we could approach the organization and representation of workers in our jurisdiction from a position of unity and strength, instead of competitiveness."

AFL-CIO Sec.-Treas. Thomas R. Donahue, a former officer of the Service Employees, addressed the two boards.

The joint statement said the merger plan would geographically balance the union and create two divisions from the combined membership. One division would serve workers employed in retail, wholesale and department store jobs while the other division would serve the combined health care memberships of both the SEIU and the RWDSU.

The Intimidators

THE NEWEST WEAPON in the arsenal of the right wing is the politics of intimidation.

Its goal is to squelch dissent by persuading members of Congress that the price of disagreement is unacceptably high.

There is nothing surreptitious in the New Right's tactics. Quite the opposite, in fact. The attempted intimidation is deliberately open.

The National Conservative Political Action Committee didn't try to conceal its million-dollar negative advertising campaign to portray one senator and three House members as big spenders and "obstructors" of the Administration program. It held a news conference to announce the fact.

NOR WAS THERE any doubt as to why the campaign was being launched with a $400,000 television advertising blitz aimed at Sen. Paul Sarbanes of Maryland. Sarbanes happens to be an exceptionally able senator. But he is relatively junior in seniority, his party is a minority in the Senate, and his vote is not likely to be decisive on many issues.

It happens, however, that a populous segment of Maryland is in the Greater Washington area. Thus the anti-Sarbanes commercials will presumably be seen by other members of Congress—with the intended implication that they could be the next victims.

Ironically, the NCPAC and other New Right groups have also targeted the chairman of the House Budget Committee, James R. Jones (D-Okla.), whose conservative credentials until now have been considered impeccable.

The alternative budget that Jones supported was close to the Administration proposal. But the savage attack from the right carried a clear warning to House moderates and conservatives that no deviation will be tolerated.

Such tactics are not just political overkill. They are repugnant to the spirit and nature of American government.

. . . And Those Who Resist

THERE STILL ARE, fortunately, members of Congress who have held fast to principle and have resisted not merely overt intimidation but the much more common Capitol Hill failing of bowing to what is perceived as the prevailing political winds. Too often, the faintest breeze is mistaken for a gale.

It is refreshing to the political debate when a stalwart such as Carl Perkins, the soft-spoken chairman of the House Education & Labor Committee, tells his colleagues bluntly that President Reagan's proposed budget cuts "go beyond any rational equitable reduction."

If put into effect, the Kentucky congressman warned, "programs which have been developed and refined over decades of congressional review will be dismantled in days and weeks."

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THOMAS R. DONAHUE, *Secretary-Treasurer*
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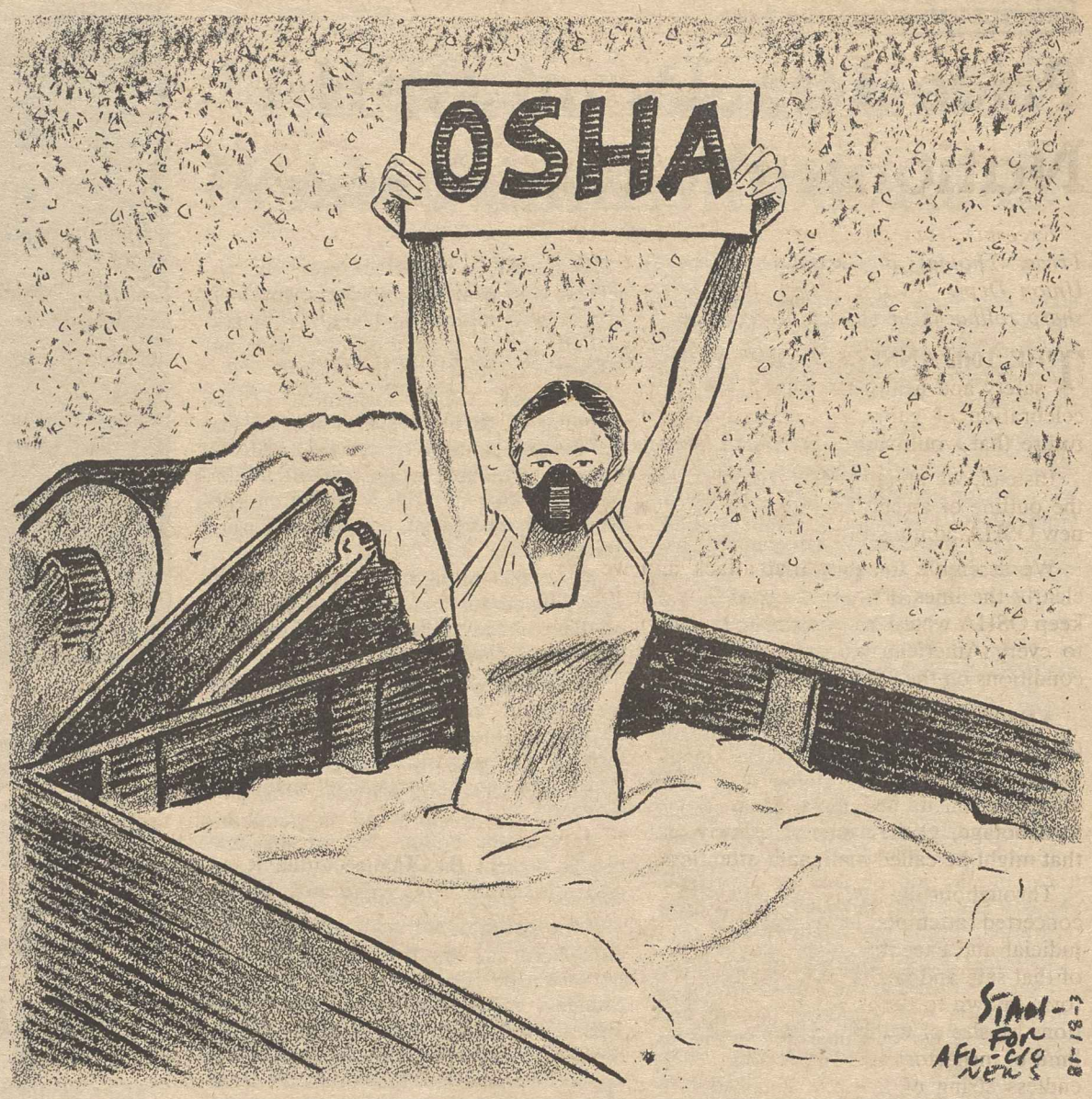
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High Interest Casualties

Monopolies Manipulate Market As Smaller Firms Go Bankrupt

By Gus Tyler

ALMOST 3,000 COMPANIES went bankrupt in the first ten weeks of 1981. That's a big number: It's 63 percent more than for the same period last year which was, in turn, 53 percent more than in 1979. In other words, the number of firms that are going under is on the steady rise.

For the country as a whole, the news isn't good, of course. For the people whose business collapses, the failure is tragic. But there is still another party that suffers—that's you.

In a perverse way, these bankruptcies are inflationary. It's "perverse" because instinctively you may feel the contrary. If somebody goes out of business then that depressing fact should depress prices as receivers rush to sell whatever is on hand and to do so for whatever they can get.

BUT IT DOESN'T quite work that way. The unloading of stock is a momentary occurrence. The more lasting impact on our economy is what happens to the whole structure of the business world as thousands of small and medium size firms disappear.

We talk of "small and medium" firms because they are the ones who are dropping dead for lack of the capital they need to keep going. These lesser companies are always short on cash; they need ready credit to carry them for the slow days until they get paid by their customers.

Such small business operations are being denied the kind of opportunities for short-term borrowing that they enjoyed in the past because of the high interest rates imposed on the country by the Federal Reserve Board.

While they are pushed into bankruptcy, their giant competitors are able to survive and to occupy those places in the market they once shared with their lesser rivals. Times of bankruptcy are, therefore, also times of concentration in business ownership—a very formal and polite way of describing growing monopoly.

SUCH MONOPOLY empowers a handful of business monopolists to dominate the market place, to manipulate it, to withhold supply, to force up prices. In short, such a monopoly manufactures inflation.

The ability of such giants to survive while the dwarfs around them perish is inherent in the easier access of the big fellows to capital. Their reserves are greater; they can borrow at preferred rates from banks, even below the "prime rate;" they have officers of lending institutions on their boards.

Also, as Larry Weinberg, president of Brooklyn Economic Developments, puts it:

"Fortune 500 companies understand how to pass along the high cost of borrowing. They are sure enough of their market share that by raising their prices, they won't be pricing themselves out of business."

So they pass on the costs—to you and me.

The great irony here is that the high interest rates—set purposefully high by the Federal Reserve Board—were supposed to check inflation. Instead, they do just the opposite by hastening monopolies that spur inflation.

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No Retreat on Labor's Commitment to Justice

We have learned that there is no such thing as final victory or final defeat on any issue.

We should be angered, but not surprised, by the current efforts to roll back the Voting Rights Act and to demolish affirmative action.

The enemies of civil rights and the defenders of privilege are as enduring and as energetic as we are. We never thought that centuries of prejudice and racism would vanish from our social life in a single generation.

But we have resolved that discrimination as public policy, authorized by law or by the absence of law, has gone for good. We are resolved that Congress shall make no law that permits the return of that ancient disgrace and repeal no law that prevents it.

Nor do we believe that the American people, somehow, overnight, have lost their fundamental sense of decency and abandoned their historic commitment to human rights, social and economic justice, and equal opportunity.

—AFL-CIO President Lane Kirkland to the Leadership Conference on Civil Rights, Apr. 29, 1981.

Victim of Regulatory Reform

Price-Tag Logic Supplants Nation's Promise on OSHA

Excerpts from an address by AFL-CIO Sec.-Treas. Thomas R. Donahue to an Industrial Union Dept. "Victims Vigil" function protesting sharp rollbacks in OSHA protections.

THE 10th ANNIVERSARY of the landmark safety and health law should be the cause for celebration of gains made and plans laid for a future that would bring OSHA to its noble goal.

Instead, we are facing a grim threat as we see the outline of an all-out attack on the law by the new OSHA administration.

We assemble to resist that attack and we see clearly the lines of that struggle. It is our job to keep OSHA what it's supposed to be—a guarantee to every American worker of safe and healthful conditions on the job.

ANY FAITHFUL reading of the history of OSHA will reveal that we have never come close to that goal of safe and healthy worksites. Administered in its fledging years in a manner akin to sabotage, OSHA moved quickly into an era that might be called malignant attention.

Throughout the 1970s there were repeated and concerted attempts in every forum—legislative, judicial and executive—to delay the achievement of that safe and healthful workplace. It took every form known to the devious mind of man: exemptions by size of workforce, a starving for funds, a limit of inspectors and inspections and a seemingly endless string of lawsuits and other methods of delay on even the most minimal of standards.

In short, it was not until recent years that OSHA began to take the shape the 1970 law intended. That came about only because of the commitment of Labor Sec. Ray Marshall and the effectiveness of the American worker's best friend in safety and health, Eula Bingham.

Now, in 1981, another era has unfolded and it is, as you heard this morning, the worst so far—an outrageous and wholesale attempt to undo everything that OSHA promises. This attack has come in the name of balanced budgets, regulatory "reform" and cost effectiveness.

IT IS OUR JOB to counter that with the fact that OSHA is not obligated to smooth the processes of the corporate or federal office—but to the higher calling of saving workers' lives.

The purpose of the IUD's weekly vigil is to recall a few of the victims who have died because America has not fulfilled its 10-year-old commitment to the safe and healthful workplace.

Let me read a different list of victims—the OSHA standards that have already been jettisoned in whole or in part in the first 100 days of the new OSHA administration:

- Federal "right-to-know" hazards identification proposal: withdrawn.
- Hearing conservation protections: illegally postponed.
- Walkaround compensation: proposed that standard be revoked.
- Conveyor standard: cancel rulemaking hearings, extend period for more "comment."
- Proposed withdrawal of Indiana State Plan: extend "comments," withdraw complaints.
- Proposed amendments on cancer policy: withdrawn.
- Lead standard: petition Supreme Court to vacate lower court decision and reconsider entire standard on cost-benefit grounds.
- Cotton dust: petition Supreme Court to defer decision, again on cost-benefit grounds.

In addition to gutting standards, the Administration is trying its hand at a new game—censorship. Excellent worker education films, slide shows and publications produced by OSHA under Dr. Bingham have been ordered locked up or destroyed. Assistant Labor Sec. Thorne C. Auchter said OSHA cotton dust publications were biased because the cover showed a textile worker who had brown lung. Calling the picture "offensive," Auchter ordered the publications destroyed.

IT BECOMES quite clear that the federal government has switched sides. A law designed to protect workers has been twisted to say that the employer must be "protected" from the workers' quest for a safe and healthy workplace. Protection of workers will only be required if it's economically efficient for employers to do so. Benefits must outweigh costs and the cheapest method, regardless of its effectiveness, may well be good enough.

In other words, instead of engineering problems out of the workplace, the new OSHA proposes redesigning the worker by slapping on a respirator.

In the double-speak of 1981, that's called "getting the government off our backs."

THE EVENTS of 1981 come as no surprise to us and instead serve only to cement our resolve that we will see OSHA do its intended job of helping workers to live healthy and productive lives.

When we speak of people whose lives are not long enough, we are talking primarily about the exposed workers—about the 35,000 Americans who already have brown lung disease or the 800,000 workers who are daily exposed to the dangers of lead, to mention only two of the latest and more devastating actions by the new OSHA Administration.

But there are others whose lives are not long enough and they are not the victims, but part of the problem. They are the corporate and political figures whose frantic pursuit of their own goals—high short-term profits or re-election—leaves them far short of the frame of reference needed on issues so vital. It is left to us to see the longer view—and we play that role, too. That's why all of us in the trade union movement have a special responsibility to focus on the longer view and to insist upon humane government. That's why we must speak out now against the Administration's effort to put a price tag on the lives of American workers.

For Minorities, Women

Reagan Budget Cuts Threaten Skilled Trades Outreach Effort

APPRENTICE OUTREACH programs that have brought more than 100,000 women and minorities into the skilled trades in recent years will be wiped out or cut to little more than token levels if Congress approves the Administration's budget, AFL-CIO Civil Rights Director William E. Pollard declared.

Pollard pointed out that federal assistance for outreach programs has been supported by every President from John F. Kennedy through Jimmy Carter. He scored the Administration's abrupt shift "at a time when the nation needs these programs more than ever."

Noting that unemployment among black teenagers is now over 40 percent, Pollard declared that the apprenticeship programs have given "young blacks, Hispanics and other minorities the important ingredient of hope." He also pointed out that the workers who have found careers through outreach apprenticeships "have, as taxpayers, brought more money into the government than the government has put into their training."

QUESTIONED BY reporters on Labor News Conference, Pollard said that as more light is thrown on the effect of various budget cuts at the local level, more people are responding against them. He said that groups that at first thought that they would not be touched by the Reagan budget cuts now realize that they will be affected.

Pollard said that unemployment continues to be one of the most acute problems in the minority community, but "we're not going to put people to work by cutting the budget." Where there is waste, that should be eliminated, he said, but "extremism in any form is not going to be helpful" in making the nation strong, viable and competitive.

Washington Window

By Press Associates, Inc.

UNEMPLOYMENT INSURANCE, or partial replacement of lost wages for workers who are out of a job through no fault of their own, has been regarded as a basic right in this country for more than 40 years.

Nevertheless, this right is being chipped away. One of the last acts of the lameduck 96th Congress was to cut back certain jobless benefit protections, including the elimination of extended benefits for a worker who leaves his job "voluntarily," and ending federal funding for benefits to workers whose CETA jobs are terminated.

Now Congress is considering even more drastic changes, proposed by the Reagan Administration, which would deny or cut off jobless benefits for more than a million workers during the fiscal year beginning Oct. 1. Hardest hit would be workers unemployed for long periods as a result of economic recession and of problems in particular industries such as auto.

These hard-pressed workers will suffer even more if Congress goes along with proposals to slash and undermine the extended benefits program enacted in 1970 on a permanent basis.

Further, the Administration proposes to extend to recipients of regular unemployment benefits a measure enacted by the lameduck Congress which requires recipients of extended benefits to take jobs at the minimum wage level or at the level of their weekly benefit, whichever is higher. States would be forced to impose this requirement after a jobless worker's 13th week of benefits.

In 27 states, unemployment benefits are so low that every recipient would be forced into a minimum wage job or lose all entitlement to benefits. If the proposed requirement were now in effect, it is estimated that about one million experienced workers would have to take minimum wage jobs.

NOT ONLY THAT, a basic tenet of the unemployment insurance system would be lost—that is, to preserve the skills of workers until they can find another suitable job. Lost skills and qualifications would mean large losses in lifetime earnings which never could be recovered, a labor expert noted in recent testimony before a House Ways & Means subcommittee.

In order to force jobless workers into minimum wage level jobs, the Administration—which has been striving mightily to change the meaning of words like "truly needy" and "safety net"—wants to change the meaning of the "suitable work" provision contained in most state unemployment insurance regulations.

Lawrence E. Weatherford, the Labor Dept.'s new deputy assistant secretary for employment and training, freely acknowledged that the Administration proposal would redefine "suitable work" to mean any minimum wage job or jobless benefit level.

IN CONGRESSIONAL testimony, the AFL-CIO pointed out how contradictory it is for the Reagan Administration, a self-proclaimed champion of transferring power from the federal government to the states, to propose using the mechanism of federal standards to "force states to withdraw the protections that unemployed workers now have."

It would be bitterly ironic, the federation asserted, if Congress—which has ignored repeated pleas of presidential commissions and of organized labor to enact minimum federal unemployment benefit standards—takes further steps backward to force states to slash existing protections for the jobless.

Instead of raising federal and state trigger levels for extended benefits, Congress should lower them, the federation said.

Further, labor's long-standing proposal for a permanent extended benefit program which would extend coverage for up to 65 weeks makes much sense today as workers struggle through the nation's second highest jobless level since the Depression.

To cushion the cruel effects of economic downturns and changing employment patterns, the unemployment insurance system should be strengthened, not weakened.



ONLY TOKEN LEVELS of outreach apprenticeships in the skilled trades can be expected if Congress approves the Administration's budget, AFL-CIO Civil Rights Director William Pollard, center, declared on Labor News Conference. Pollard was questioned by Warren Brown, left, of the Washington Post and Michael Posner of Reuters news agency. The AFL-CIO produced public affairs program is aired weekly on Mutual radio.



RAIL LABOR RALLY on the Capitol's West Front heard Chairman Fred Kroll of the Railway Labor Executives' Association warn that President Reagan's budget cuts will destroy Conrail and Amtrak, putting some 70,000 railroad workers out of jobs and threatening the railroad retirement system. The labor leaders near the rostrum include AFL-CIO President Lane Kirkland. Other rallies and demonstrations were held across the United States.

20,000 Rail Workers March, Rally In Capitol Hill Protest of Cutbacks

(Continued from Page 1)

budget at the expense of economic prosperity," he declared. "We are here to remind the Congress that how national revenues will be spent ultimately resides in the hands of the people."

Following the rally, which was coordinated with demonstrations and news conferences in major cities across the United States, the railroad unionists visited congressmen and senators from their home states to urge sufficient funding for continued operation of Conrail, Amtrak, and the railroad retirement system.

EVEN AS the rail workers marched outside the Capitol, though, the Senate Commerce Committee voted to concur in the Administration's reduced budget for Amtrak. Despite Democratic objections, the committee voted 10 to 4 to approve $613 million for the line's operations in the 1982 fiscal year, exactly what President Reagan requested.

Kroll told the rally that the shrunken budget, if eventually approved by Congress, would mean the immediate loss of 11,000 jobs. The Amtrak funding plan would kill most of the nation's passenger routes next fall, and allow Amtrak to negotiate with rail labor unions to cut labor protection payments—possibly saving $75 million—by providing lump-sum payments to laid-off workers.

The Washington rally exceeded anticipated turnout estimates of the sponsoring Railway Labor Executives' Association, and was preceded by a half-hour, placard-waving parade from Union Station to the Capitol. Police said that the number of participants ranged between 15,000 and 20,000.

AS THE MARCH got underway, with Kirkland, Sec.-Treas. Thomas R. Donahue, and the heads of over a dozen affiliated unions in the lead, the demonstrators rolled their voices in unison as if preparing for the kick-off at a football game, and periodically imitated the "whoo-whoo" of a train whistle. Many of the workers wore conductors' or engineers' caps, and carried picket signs or sported red-and-white Polish "Solidarnosc" (Solidarity) buttons. Most of the railway employees came from the heavily traveled Northeast.

"Upgrade, Don't Degrade, Our Railroads," one sign read. "A Strong Nation Needs a Strong Railroad," another said. Members of Local 744 of the International Brotherhood of Electrical Workers in Philadelphia admonished the President in another: "This Isn't Hollywood & Vine. You Can Afford to Lose Your Job. But I Cannot Lose Mine. Investigate Conrail's Management."

At a pre-rally session led by labor troubadour Joe Glazer, the railroaders joined in singing "Solidarity Forever," "This Land is Your Land," and several of his improvised verses of the rally's theme song, "I've Been Working on the Railroad."

"And I want to keep on working on the railroad," they sang. "Soon no one will be working on the railroad . . . and I'll be singing those Amtrak blues."

President Fred A. Hardin of the United Transportation Union introduced Kirkland, saying that the latter's presence demonstrated that "not only is rail labor together, but all of American labor is together" on this issue.

THE FIGHT to save America's railroads and the jobs of American workers "is not a narrow trade union issue affecting only a small segment of our society," Kirkland stressed.

"This is not an exercise in nostalgia for the bygone days of Casey Jones and John Henry," he said. "This is a rally about the future of our society. Today, even more than yesterday, a strong rail system is essential to meeting our most important national goals."

Every other industrialized country in the world recognizes its rail transportation as a basic national resource, Kirkland said. Germany, Japan, Great Britain, France and other nations support their rail systems through national budgets, "and maybe that's one reason why they're beating us in international competition," he added. What the Administration is doing makes no sense, Kirkland said.

Kroll, who also is president of the Railway & Airline Clerks, told the gathering that railroad workers today are confronted with the most anti-labor legislative threats in U.S. history.

"TODAY'S BATTLE is not just one of a balanced budget and budget cuts," he said. "It is one of a conservative ideology being forced upon the American people which, if successful, will create two classes in America—the poor and the very rich, the have-nots and the elitists."

In its proposals, the Administration wants to cut Amtrak passenger service to such an extent that all routes outside the Boston-Washington corridor would be eliminated, leaving hundreds of communities without service and thousands of workers jobless.

The Administration also wants to dismantle Conrail, selling off as many lines as possible to other carriers. Meanwhile, it would cut funding so that freight service to some communities would have to be done away with, jobs eliminated, and remaining employees forced to give up wage increases, benefits, and job protections.

ILG Prods Donovan on Cut In Wage-Hour Inspections

New York—Labor Sec. Raymond J. Donovan got a first-hand look at sweatshops where illegal aliens and sometimes young children toil for a fraction of the federal minimum wage, and voiced shock and anger at what he saw.

The Secretary of Labor promised to meet with members of Congress to try to get "more teeth" put into the wage-hour law and "much more severe" punishments for violators.

President Sol C. Chaikin of the Ladies' Garment Workers suggested that as a starter Donovan might do something to stop the scheduled cutback of more than 30 employees in the New York regional office of the Labor Dept.'s wage-hour division.

"IF THE SECRETARY of Labor and the Republican Administration are sincere in trying to root out the burgeoning new sweatshops in our major metropolitan areas," Chaikin said, "it is strange that they are cutting the Dept. of Labor budget for inspectors whose job is to pinpoint wage-hour law violations."

Donovan accompanied a Labor Dept. "sweatshop strike force team" on a raid in New York's Chinatown and told a news conference that he found young children and old women working for $1 an hour and "bogus" employee time cards already punched out for the afternoon.

Donovan urged "self-policing" of conditions by garment manufacturers and unions, and said that "if we can get this economy going, we could offer some hope to sweatshop workers for jobs that will pay them at least the minimum wage."

Donovan Appoints Collyer To Key Labor Dept. Post

Robert Burns Collyer was appointed Deputy Under Secretary of Labor for the Employment Standards Administration by Labor Sec. Raymond J. Donovan.

Collyer will be responsible for the Labor Dept.'s programs in the areas of workers' compensation, wage and hour enforcement and federal contract compliance, among others.

Tax Proposals Seen Counter To Objectives

Tax cuts to business under Reagan Administration proposals run counter to the goals of strengthening American industry, AFL-CIO Research Director Rudy Oswald told a House subcommittee.

The proposed tax cuts would substantially distort business investment decisions, change relative tax burdens, and make reindustrialization of America's economic base more difficult, Oswald declared.

"Larger, more prosperous, capital-intensive firms would reap huge benefits while smaller, labor-intensive firms would benefit very little," he said.

As for the Administration's proposed individual income tax reduction, Oswald said that the 10-percent a year, across-the-board cuts would not help some 15 million low-income working Americans. They would be among the first to feel the adverse impact of the Administration's cuts in social programs, he said.

Middle-income workers would receive token cuts and only the wealthiest would benefit significantly. "Clearly a scheme which gives more to those at the top—in absolute as well as relative terms—cannot be considered fair or even-handed," Oswald observed.

THE SO-CALLED "supply side" notion that such cuts in marginal tax rates would entice more people into the labor force and encourage them to work harder ignores the fact that there are nearly eight million Americans looking for work, four million more on part-time schedules because full-time work is not available, and over one million workers who have dropped out of the labor force because the search for jobs was futile, he added.

In his appearance before the House Energy & Commerce subcommittee, Oswald noted that while the need for an extensive reindustrialization effort has been widely recognized, there is no consensus on the policies needed to achieve this goal. This lack of consensus, he suggested, stems from different perceptions as to whether there is something wrong on the supply side of the economy.

THE AFL-CIO'S position is that there are sectoral and regional problems in the economy and that, if tax cuts are to play an efficient role in the nation's reindustrialization efforts, they must be targeted to those industries that are essential to an industrial economy and are in need of this assistance, Oswald said.

He outlined the AFL-CIO's proposal for a tripartite Reindustrialization Board to channel public and private funds into reindustrialization projects, especially in areas most in need.

The board, made up of representatives of business, labor and government, would have initial authority to allocate $5 billion in tax expenditures and an additional $5 billion in loans, loan guarantees and interest subsidies. Emphasis would be on basic industries, and allocation decisions would include factors such as eliminating capacity bottlenecks, helping new U.S. industries with a high growth potential, and aiding firms that have difficulty competing because of unfair foreign trade practices.

AFT Member Honored As Teacher of Year

Jay Sommer, a foreign language teacher at New Rochelle High School in New York state, and a member of the American Federation of Teachers, was named 1981 National Teacher of the Year.

Sommer, who belongs to the Federation of United School Employees, the New Rochelle AFT local, was honored at a White House ceremony. The 53-year-old native of Germany grew up in Czechoslovakia, and spent the war years in a Nazi labor camp before emigrating to the United States in 1948.

Sommer, who speaks 10 languages fluently, was selected from more than 150,000 teachers. AFT President Albert Shanker observed that the honor was another indication that public schools are able to attract and keep teachers of high quality.

The Reagan Budget

Reversing 50 Years of History

This analysis of the impact of the Reagan Administration economic program was prepared by the AFL-CIO Industrial Union Dept. It is one of a series by the AFL-CIO News as a follow-up to recommendations stemming from AFL-CIO regional conferences.

The real issue of the Reagan budget is not whether it will cure inflation, which it probably won't, but what it does to the relationship between the American people and our government.

According to our new Administration, the root of our economic trouble is the federal government. Get the government off our backs by reducing government programs, the President says, and people will solve their problems on their own.

FUNDAMENTALLY it is a denial of 50 years of history. Almost a half-century ago, at the time of the Great Depression and the New Deal, America made two basic decisions: first, that we had a responsibility to help those in need, and second, that we could best exercise that responsibility not through individual acts but through government programs. We made those decisions partly out of our humanitarian heritage, and partly out of the hard-won knowledge that all of us benefit from a healthier and happier society.

No one today would claim that every government program is 100 percent on target or that there is not one ounce of waste in the government colossus. But on the other hand, no one should claim that the government itself is the problem, or that our needs will disappear if government activity is scaled down.

The particular tragedy of the Reagan budget is that in reversing a half-century of experience, it takes special aim at the poor, the disadvantaged and the unemployed.

THE LIST OF proposed cuts is long and dismal: job training, public service jobs, special jobs programs for youth, unemployment insurance; special educational programs for the disadvantaged, assistance to poor students; help for small business, cooperatives, housing rehabilitation, rural electrification, family farmers; food stamps, school lunches, certain social security benefits, help for single-parent families and for the disadvantaged, health services.

The Reagan Administration economic program is an attempt to turn back the clock to the 1920s and earlier, and like all efforts to turn back the clock it is doomed to failure.

The second issue is whether the budget cuts will cure inflation. Cut expenditures, balance the budget, end inflation—that's the conservative pitch. It sounds reasonable, and according to the polls, it has obviously influenced a lot of Americans.

THE TROUBLE is that it's false. There is no evidence that an unbalanced budget causes inflation, or that a balanced budget will help cure it. In past years the United States has had unbalanced budgets without inflation—and we've had inflation with balanced budgets. The same thing has been true of other industrialized nations. Inflation and the government budget are not necessarily related.

Administration spokesmen are fond of saying that if the typical American family planned its budget like the government, it would go broke. The fact is that few American families could survive on a balanced budget. If we couldn't borrow money to buy houses and automobiles, most of us would be living in tents and walking to work.

Instead of reducing inflation, some of the budget cuts could well fuel more inflation. Inflation is partially caused by the decline in productivity, which in turn can be traced to inadequate research, bad management and the deterioration of our industrial base, such as energy and transportation facilities.

BY REDUCING support for railroads and mass transit, for urban reconstruction, low-cost housing, rural economic growth and the development of alternate energy and water resources, the Administration program will undermine our efforts to improve productivity. That could lead to more inflation.

Then the Reagan program will be exposed for what it is, an effort to reallocate the nation's resources away from those at the lower end of the economic ladder into the hands of special interests, big business and the wealthy.

Enforcement Cut First Step To Dismantling of OSHA

How much is it worth to protect a human life? When President Carter left office he proposed that the world's wealthiest nation spend $242.6 million next year on the Occupational Safety & Health Administration. That's a little over $4 for each worker to be protected.

President Reagan's proposed budget provided somewhat less: $3.80 a worker ($228 million). Now that the deregulators are running, they are out of control. Sen. Don Nickles (R-Okla.), who chairs the Senate Labor subcommittee that is supposed to protect the safety of workers, has persuaded his committee to set a new value on protecting human beings: $2.80 ($171 million).

THE REAGAN BUDGET would make those cuts by taking funds from New Directions grants and educational assistance to unions and even the employers, from standards setting and federal enforcement.

By 1982, the OSHA staff would be cut by 250. In a Feb. 26 letter to OMB Director David Stockman, Labor Sec. Raymond Donovan made very clear that most of the cuts would come from enforcement. He proposed 16,500 fewer federal inspections for 1982.

Reversing the mandate of the Act by administrative fiat, the Secretary is—in effect—calling for a dismantling of the federal safety effort and a return to the pre-OSHA days of state-by-state enforcement coupled with voluntary compliance.

THE STATES are being asked to increase their responsibility for enforcement with virtually no federal monitoring. Donovan's letter to Stockman goes further: "A major thrust of the 1982 OSHA budget is to reflect the agency's intention to place emphasis on expanded voluntary compliance activities . . . to achieve agency goals."

There is no evidence from any demonstration now or in the past that voluntary compliance works.

The Mine Safety & Health Administration, also under Donovan's protection, is being forced to accept proportionately larger cuts which will result in nearly 20,000 fewer mine inspections, an action that would reverse the current downward trend of death and injury in the nation's mines and mills.

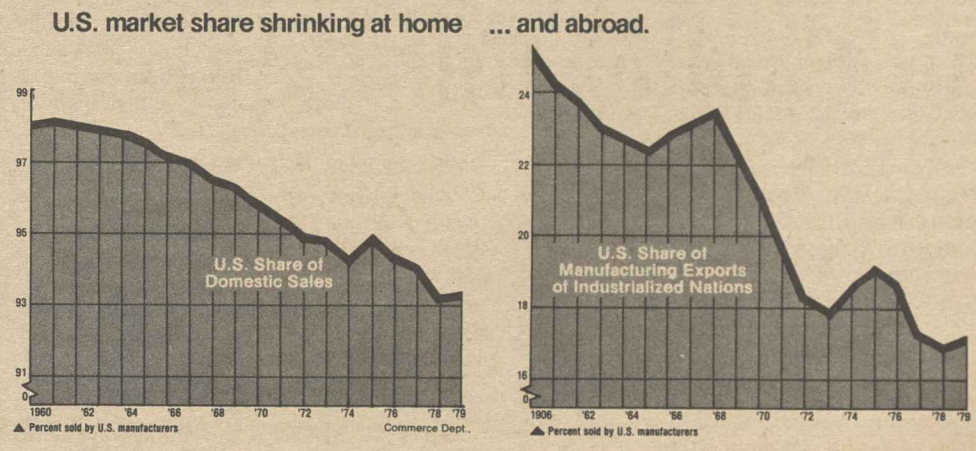
IN INDIANA, the new OSHA responded to two successful lawsuits by beginning the process of withdrawing approval of the state plan. The AFL-CIO and the IUD sued the government to enforce the "as-effective-as" federal program provision of the law.

The Reagan Administration's OSHA not only has stopped the process of withdrawing federal approval of the ineffective Indiana plan, but has already shut down the OSHA offices in Ft. Wayne, Gary and Evansville, reducing the federal staff from 40 to eight. OSHA earlier had found that after six years of operation the state has a "consistent pattern of poor performance in critical program areas."

Federal staff in the remaining states running OSHA programs would be cut roughly in half.

The other half of the federal safety and health program, the National Institute for Safety & Health, isn't even mentioned by name in the Reagan budget. It got its budget slashed anyway (by a third). Always treated like a poor cousin, it is the only national institute that in fact is not a national institute. NIOSH is responsible for research and professional training. But the Reagan Administration doesn't want as many scientists looking under the rug of industrial decay. The Carter budget called for spending $81.5 million (less than $1.35 per worker). The $59-million Reagan budget means spending less than a dollar per worker.

The Reagan NIOSH budget cuts out all training funds, which means that all of the independent university programs (which cannot easily be controlled by Stockman's "top down" style of management) are scheduled to be eliminated.



Trade Policies Would Cost U.S. Its Competitive Edge

The Reagan Administration's early initiatives in international trade reflect a lack of awareness about the seriousness of America's international trade challenges.

The plan to dismantle the already inadequate Trade Adjustment Assistance (TAA) program reflects a callous disregard for the hundreds of thousands of American workers who lose their jobs because of increased imports. The failure to pursue aggressively limitations on Japanese auto and parts imports reveals an underlying "free trade" philosophy that is simply unrealistic in today's world, particularly in United States trade with Japan.

AND THE PROPOSED weakening of government export financing through the Export-Import Bank will mean the loss of billions of dollars of export sales of big-ticket capital goods such as nuclear plants and telecommunications systems.

Trade Adjustment Assistance is the main support that stands between American workers and disaster when imports take their jobs. More than 600,000 workers have been certified for TAA benefits since 1975. And import-impacted workers have less skill, lower incomes, and are more likely to be older, minority and female. This means they have a harder readjustment burden. Reagan's answer in a time of increasing import pressures is not to strengthen and improve the program, but to reduce it drastically.

A MILLION American workers in the auto and parts industries have lost their jobs due to auto imports, primarily from Japan. Two months ago President Reagan's Cabinet officers told us that limitations on Japanese auto imports were imminent. Now we hear that the government is reluctant to ask the Japanese for such reductions, preferring to wait for Japan to take action on its own initiative. The wait has already lasted three months. Nearly a million laid off auto and parts workers can't afford that wait.

The Export-Import Bank is America's only weapon in a spreading export credits war. France, Japan, Germany and the United Kingdom each use subsidized government credits to finance about 30 percent of their manufactured exports. The U.S. provides Ex-Im credits for only about 4 percent of our manufactured exports. Just as we move toward international negotiations next month to limit these government export credit subsidies, the Reagan Administration has proposed a 25-percent cut in Ex-Im bank financing.

Productivity Goals Retarded Under Budget Retrenchment

Government programs to strengthen U.S. productivity gains will be eliminated or drastically curtailed under the federal budget proposals of President Reagan.

Programs for developing new technologies have been targeted for dramatic slashes, while support for industries with the highest rates of job creation and productivity growth is also being cut back. A worse future for American industry and American workers will result if these proposals are implemented.

NEW TECHNOLOGY development will be dramatically curtailed by budget reductions in the National Science Foundation and National Aeronautics & Space Administration.

The Office of Science & Technology is scheduled for elimination from the Commerce Dept., while research and development support for new energy technologies —solar, geothermal, wind, biomass, shale oil and others—will be cut in the Dept. of Energy.

America's industrial strength has always been linked to technological advances of the kinds promoted by these government agencies. High-technology industries—from aerospace and computers to telecommunications and modern textiles—have formed the backbone of our international competitive posture. These budget cuts will weaken industry and jobs prospects in just those industries where we normally have competed successfully.

THE SAME pattern reappears in the cuts proposed for the Economic Development Administration, the Housing & Urban Development Dept. and the Small Business Administration. These agencies provide support—through investment in roads, utilities, and site development—for new industries in our cities and in areas seeking to attract new industry after plant closings and other job losses.

Small business, which provides almost all the job creation and a large share of the innovation in the U.S. manufacturing sector will be virtually stripped of much-needed support.

'Budget Discrimination' Challenged by Kirkland

The Administration's budget and tax program amounts to discrimination across the board—against everybody except the truly rich, AFL-CIO President Lane Kirkland charged in an address at the 31st annual meeting of the Leadership Conference on Civil Rights (LCCR).

"Its entire economic program rests on the premise that budget cuts are needed to finance tax cuts that afflict the afflicted and comfort the comfortable," Kirkland said at an award dinner honoring the AFL-CIO on the occasion of the 100th anniversary of the founding of the modern American labor movement.

"THERE IS NO income tax cut for 15 million low-income wage earners who are paying higher social security taxes and who are expected to absorb the loss of the assistance they need from social programs facing the budget axe," Kirkland said.

"Those in the middle are also shortchanged. They will feel the cuts in school budgets and essential public services. They will pay far more to heat their homes and drive their cars than they will receive in income tax cuts, thanks to the Administration's decontrol of oil and natural gas."

In accepting the LCCR's 1981 Hubert H. Humphrey Civil Rights Award in behalf of the federation, Kirkland observed that labor misses the eloquent voice of the late Vice President and Democratic Senator from Minnesota, particularly on Capitol Hill, where the Reagan budget battle is being waged.

"THOSE WHO SHARE the goals of Hubert Humphrey are out of power, and the opponents of those goals are in," said Kirkland. "We accept that as a natural hazard of the democratic process that has made our progress possible and, like Hubert Humphrey, the perennial happy warrior, we look forward to the next round.

"We are not strangers to legislative disappointment. It hardens our resolves. We have faced worse odds and more intransigent opposition than we face today."

The inscription on the award presented to Kirkland cited the AFL-CIO for "unwavering support of equal rights, equal opportunity, and equal justice for all."

Founded in 1950 by A. Philip Randolph, Roy Wilkins, and Arnold Aronson, the Leadership Conference is a coalition of 150 national organizations representing blacks, Asian and Hispanic Americans, labor, the major religious groups, women, the elderly, the handicapped and minority businesses and professions seeking to advance civil rights for all Americans through enactment and enforcement of federal legislation.

Nineteen-eighty-one is the centennial year of American labor—the 100th anniversary of the founding on Nov. 15, 1881, of the Federation of Organized Trade & Labor Unions, which became the American Federation of Labor five years later.

KIRKLAND NOTED that labor's oldest ally in the civil rights struggle, the NAACP, is about to turn 72 and that the LCCR itself—"the most effective and successful coalition in American history"—has been in business for nearly a third of a century.

The 500 delegates to the LCCR legislative strategy meeting also honored Eleanor Holmes Norton, former chairperson of the federal Equal Employment Opportunity Commission, and Clarence M. Mitchell, Jr., whose retirement as LCCR chairman was announced during the meeting. NAACP Exec. Director Benjamin L. Hooks was elected to fill out the remainder of Mitchell's unexpired term.

Sen. Charles McC. Mathias (R-Md.) and House Judiciary Committee Chairman Peter Rodino (D-N.J.) spoke on civil rights priorities in the 97th Congress. A panel followed on civil rights enforcement problems and how they affect blacks, women, the aged, the handicapped and language minorities.

Sen. Howard Metzenbaum (D-Ohio), Rep. Louis Stokes (D-Ohio), and UAW Legislative Director Richard Warden discussed the Reagan budget cut proposals and their impact on the poor and minorities.

A special tribute was paid to Marvin Caplan, legislative director of the AFL-CIO Industrial Union Dept. and former director of the Leadership Conference. President J. C. Turner of the Operating Engineers, an LCCR executive committee member, was master of ceremonies.



LANE KIRKLAND accepts the 1981 Hubert H. Humphrey Civil Rights Award of the Leadership Conference on Civil Rights from newly elected LCCR Chairman Benjamin L. Hooks, left. Operating Engineers President J. C. Turner presided at the program.

Attack on Davis-Bacon Act Seen as Pay-Cutting Tactic

(Continued from Page 1)

ments are among the frequent victims, he noted.

While these abuses are the exceptions now, Georgine warned that the exploitation would be done legally if the prevailing wage law were scuttled and contracts went regularly to the employer paying the lowest wages and providing the fewest benefits.

Because of the Davis-Bacon Act, he stressed, efficiency and quality of work becomes the criterion for awarding contracts and the public interest is served.

AS FOR CLAIMED savings to the government in the cost of construction, Georgine reminded the panel of the experience in 1971, when Davis-Bacon requirements were temporarily suspended by an Executive Order of President Nixon.

During that period, rebids were directed on 1,263 projects that had originally been put out for bids under prevailing wage requirements. The "savings" came to only six-tenths of 1 percent, Georgine testified.

The U.S. Chamber of Commerce, which has regularly opposed any increase in the basic federal minimum wage, attacked the Davis-Bacon Act as "a superminimum wage law" and urged its repeal. The business group also urged repeal of the Service Contract Act, which provides comparable safeguards on government service contracts.

THE ADMINISTRATION has not supported repeal of the Davis-Bacon Act, so the current hearings are not expected to result in floor action this year. But foes of prevailing wage laws, including open-shop contractors, have been pressing for administrative changes by the Labor Dept. in the law's enforcement.

Georgine noted, however, that a number of local and national contractor organizations strongly support continued prevailing wage standards so that in order to win government contracts they won't have to replace skilled and experienced construction workers with people willing to work for substandard wages.

The law's enforcement "should be strengthened," Georgine said, "rather than being weakened."

5/2/81

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House Pressed to Support Additional Budget Funding

The AFL-CIO pressed House members to reject an Administration-supported budget resolution and support attempts to add funds for endangered programs.

Legislative Director Ray Denison stressed the concern of the AFL-CIO and its Budget Coalition allies at "the massive cuts in services and the loss of more than one million jobs that will result" if the Reagan budget or the slightly reshuffled version supported by House Republicans should be enacted.

"WE HAVE detailed our anger and our opposition before every possible public and congressional forum," Denison wrote House members as the budget debate began. His letter dealt with three principal options that are being put before the House under a restrictive rule allowing only specified amendments.

The basic bill, supported by Budget Committee Chairman James R. Jones (D-Okla.), was described by Denison as "a small step in the right direction of lessening the devastation and inequity contained in the Reagan Administration budget and tax proposals."

But the House may not ever get to a vote on that proposal, which is supported by the Democratic leadership.

First it will vote on a substitute resolution, sponsored by Rep. Delbert L. Latta (Ohio), the ranking Republican on the Budget Committee and co-sponsored by a conservative Democratic supporter of the Reagan program, Phil Gramm (Tex.).

THIS IS the measure President Reagan called on the House to adopt in his televised address to a joint session of Congress on Apr. 28.

"We embrace and fully support" the Latta-Gramm substitute, Reagan said. "The old and comfortable way" of dealing with a budget is for Congress to "shave a little here and add a little there," Reagan said. But "that way is no longer acceptable."

Denison wrote House members that the Republican substitute imperils "programs that train, employ, feed and house moderate and low-income workers and the poor, and which sustain economic development in the cities, towns and rural areas."

He urged adoption of the amendment that will be offered by Rep. David Obey (D-Wis.) to restore some of the worst damage of the Reagan proposals.

The Obey substitute would add funds for programs including unemployment insurance, low-income energy assistance, education programs, Medicaid, programs for the elderly, housing programs, railroad funds, sewer treatment construction grants among others.

Denison said the AFL-CIO supports all efforts to restore funds for jobs and programs to help individuals and their communities "so long as those funds do not come at the expense of other areas in the budget."

House Republicans have been trying to woo Democratic votes for their measure by arguing that the President has a "mandate" from the voters for his program.

Denison challenged that position. "There was no mandate from American voters to dismember programs past Congresses have carefully developed," he wrote, or "to redistribute income to the already wealthy."

The election's mandate was "to repair an economic system torn by high inflation and high interest rates," he suggested. But these problems are not dealt with by the Republican budget, Denison stressed.

A scattering of moderate Republicans in the House are expected to break with the Administration on the budget votes. But Republicans are counting on a greater number of defections by conservative Democrats to tilt the decision the other way.

Postmaster Rebuffed On Bargaining Ploy

The National Labor Relations Board's regional director in Baltimore dismissed the petition of the U.S. Postal Service for a new bargaining unit determination, a move which the Postal Workers, Letter Carriers and Mail Handlers viewed as an 11th-hour maneuver to stall new contract talks.

The regional director, Louis J. D'Amico, gave the USPS through May 13 to appeal the decision to the full board. In his finding, D'Amico said that the petition to determine a new bargaining unit did not meet the board's requirements for seeking such an election.

The three AFL-CIO unions, as well as the unaffiliated Rural Letter Carriers, had filed counter-petitions with the NLRB charging that the management action was designed to delay bargaining for months, if not years, and accused Postmaster Gen. William Bolger with contempt for the collective-bargaining process.

The unions seek to renew contracts that expire on July 20. USPS negotiators boycotted the opening session of the contract talks on Apr. 22, saying they would not attend any bargaining session until the NLRB responded to its petition.

Council Scores Donovan Move To Wipe Out Labor Standards

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Assails Bid To Permit 'Homework'

By John M. Barry

Baltimore—The AFL-CIO charged that Labor Sec. Raymond Donovan's plan to scuttle the 40-year-old ban against industrial homework in the women's apparel and other industries would resurrect "kitchen sweatshops" throughout the country.

The council, in a statement adopted at its two-day spring meeting here, warned that Donovan's actions threaten "to undermine and ultimately destroy traditional standards protecting workers, employers and consumers."

FEDERATION President Lane Kirkland told reporters that Donovan's May 1 announcement of his proposal to lift the restrictions on homework came as a complete surprise to organized labor.

"We were not consulted," Kirkland said at a news conference during the council meeting. "We were not asked our opinion. We were not given the opportunity to explain our side of the case."

He agreed, in response to a question, that although Donovan pledged when he took office that he would never "blindside" organized labor, he had in fact done so.

KIRKLAND SAID that this and other actions Donovan has taken "are deeply disturbing to us. . . . They certainly do not reflect a thorough appreciation of the statutory role of the Secretary of Labor, which is to defend and advance the interests of working people. . . . It seems apparent to me that he is defending and advancing interests quite in conflict with those of working people."

Kirkland accused the Reagan Administration of using the Labor Dept. "as one of the instruments for an attack on our basic working standards, particularly those in the case of brown lung and industrial homework, which protect some of the most underprivileged workers in this country."

He told reporters that the council had discussed plans for the federation to lead a rally later this year to protest the Ad-

(Continued on Page 3)

Interest Hike Puts Squeeze On Economy

By James M. Shevis

The Federal Reserve Board's latest tightening of the nation's money supply moves the economy closer to another recession, the AFL-CIO warned.

The federal government will have to pay more for its borrowings and record interest rates will crimp the buying power of millions of Americans, AFL-CIO Research Director Rudy Oswald said.

"PROSPECTIVE homeowners will be further squeezed on mortgages that are fast becoming short-term borrowings with variable interest charges. State and local governments are being squeezed out of the market by the high cost of money, thus postponing many urgent projects," Oswald said.

"And the United States further escalates the worldwide high interest war that appeals to speculators and high rollers."

With inflation 4 percentage points lower than its peak of a year ago, the Fed earlier this week announced a full 1-percent increase in its discount rate, bringing the bellwether rate to a new peak of 14 percent. In addition, the central bank hiked from 3 to 4 percent the penalty surcharge for banks that borrow frequently from its "discount window."

In announcing its discount-rate boost, the Fed said that it acted "in light of the current levels in short-term market interest rates" and "the need to maintain restraint in the monetary and credit aggregates."

THE FED'S move coincided with increases in the prime lending rate of most large commercial banks from 18 to 19 percent. Treasury Sec. Donald T. Regan warned that the prime — the rate that

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LABOR'S RESPONSE to the Reagan Administration's retreat on needed social and worker protections is discussed by AFL-CIO President Lane Kirkland at the Executive Council meeting. At left are Vice Presdent Murray H. Finley and Sec.-Treas. Thomas R. Donahue. Vice President Lloyd McBride is at right.

Program Funds Slashed

Conservatives in House Win Budget Showdown

By David L. Perlman

A bipartisan conservative coalition demonstrated its control of the House of Representatives by ramming through the drastic budget slashes that the Reagan Administration demanded.

The House voted 253-176 for spending ceilings and program cutbacks that the AFL-CIO warned will imperil job and job-related training programs, thrust the needy deeper into poverty, curtail housing assistance, reduce transportation services and cut off economic development in cities and rural areas alike.

FINAL DETAILS of the program cuts will be shaped in later congressional action, but the House-passed bill instructs its committees to cut back programs and rewrite laws so as to reduce spending by $36.6 billion in the fiscal year starting Oct. 1. Nearly half of that is to come from programs in the jurisdiction of the Education & Labor Committee.

The 50-vote Democratic majority in the House evaporated under the White House "carrot-and-stick" lobbying tactics, and 63 Democrats joined a solid lineup of Republicans. A handful of moderate Republicans swallowed their earlier criticism of the Reagan budget and bowed to party pressure to "go along" with the President.

A less extreme budget package had been crafted by the House Budget Committee and was supported by the Democratic leadership. But it never got to a vote because the House substituted the Reagan-endorsed resolution which was cosponsored by Republican Delbert L. Latta of Ohio and Democrat Phil Gramm of Texas.

When that passed, the battle was over.

A KEY TO the sentiment of the House came on an earlier vote on the alternative that was supported by the AFL-CIO and its allies in the Budget Coalition.

As introduced by Rep. David R. Obey (D-Wis.), it included a group of relatively moderate "add-ons" to Budget Committee

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Labor Asks Enforcement, Not Relief from Regulations

America's unions aren't seeking "relief" from government regulations that protect workers, consumers and the environment, AFL-CIO President Lane Kirkland informed a Cabinet-level task force headed by Vice President George Bush.

Bush had asked union leaders for suggestions to achieve "the regulatory relief our economy desperately needs." His letter included documents referring to "expensive" and "controversial" OSHA rules, to "stringent" civil rights requirements imposed on firms doing business with the government, and to the "escalation" of wages under the Davis-Bacon and Service Contract Acts.

KIRKLAND TOLD the Vice President that the task force request had been considered at a meeting of AFL-CIO affiliates, at which representatives of the unaffiliated Mine Workers and Auto Workers participated. Kirkland's reply thus reflected "the position organized labor has developed."

"We do not agree that our economy needs regulatory relief," Kirkland wrote.

BUT THE NATION does need "a vigorous economy, a sound environment, equal employment opportunities, safe and healthy workplaces, decent labor-management relations, and fair and equitable treatment of consumers," he said.

Regulations to achieve these goals should be perfected, not scrapped, and then vigorously enforced, Kirkland stressed.

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Unions Pledge Battle to Retain Cotton Dust Rule

By John R. Oravec

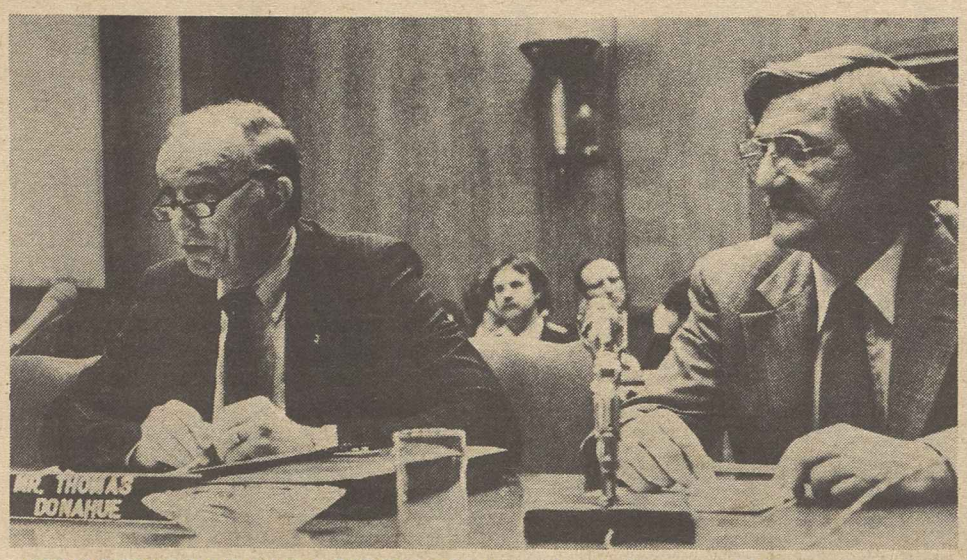
Brown lung victims and trade unionists put the Reagan Administration on notice that the federal cotton dust standard, or any other OSHA regulation meant to protect the safety and health of American workers, would not be given up without a fight.

"The right to a safe and healthful workplace is as basic as the right to freedom of speech, religion or a fair and speedy trial," AFL-CIO President Lane Kirkland told several hundred demonstrators outside the Labor Dept. headquarters. Among the protesters were members of the Clothing & Textile Workers who have been disabled by the "brown lung" disease, byssinosis.

"The Bill of Rights is not predicated on cost-benefit analysis," Kirkland stressed in referring to the Administration's holdup of key cotton dust safeguards.

The Washington rally was the focal point of ACTWU's May 4 brown lung

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PENALTIES FOR EMPLOYERS who hire illegal aliens would bring a growing problem under control and enable the United States to pursue a "compassionate" legal immigration policy, AFL-CIO Sec.-Treas. Thomas R. Donahue testifies at joint House-Senate hearings. Legislative Director Ray Denison is at right.

Unions Back Wage Deferrals In Move to Bolster Conrail

Railway labor unions agreed tentatively to give up future worker wage increases totaling $200 million a year—about 10 percent of the total payroll—to help the federally subsidized Conrail freight system become a viable private-sector railroad within the next three years.

Under the agreement, announced by Rep. James J. Florio (D-N.J.) at a Capitol Hill news conference, Conrail managers and supervisers would postpone $29 million in annual salary increases, an amount comparable to the deferral percentage agreed to by the unions.

Florio, who is chairman of the House subcommittee on commerce, transportation, and tourism, was instrumental in bringing about the accord.

FRED J. KROLL, chairman of the Railway Labor Executives' Association, said that the agreement was "a giant step" toward the preservation of the ailing freight line. He told reporters that the agreement, which must be ratified by individual unions that make up the RLEA, will encourage Congress to support Florio's bill to authorize further government assistance of about $600 million to Conrail over a two- or three-year period while the carrier makes the transition to the private sector. The federal aid would be tied to certain other goals that the railroad would have to meet besides the wage deferrals.

"Two hundred million dollars is a hell of a lot of money from the workforce—a hell of a sacrifice," Kroll said, that "we are confident . . . will create a viable Conrail." He said that presidents of 12 of 14 RLEA member unions have signed the pact and that two other unions—the Signalmen and the Locomotive Engineers—are reviewing the agreement with their attorneys.

Kroll, who is also president of the Railway & Airline Clerks, led a mass worker rally in the nation's capital a week earlier protesting proposed Administration budget cuts that would end all federal grants to Conrail after the 1981 fiscal year, and sell off much of the rail system to other companies. RLEA officials forecast that action would cost up to 50,000 jobs.

KROLL SAID that the unions agreed to the wage deferrals to avoid the "horrendous social costs" if the road stopped operating. Some 70,000 Conrail employees affected by the deferrals "would receive preferred stock in lieu of what they give up" once the line becomes a private railroad, he said.

Florio explained that, under the agreement, workers would give up the money for two or three years, depending on the life of the overall railroad labor agreement now being negotiated. Thus, the agreement could save Conrail as much as $690 million in payroll costs.

THE LABOR concessions mark "the first and most important step in seeing that Conrail reaches the point where it will no longer be dependent on the federal government," Florio said. "With this agreement, we can reach the Administration's goal of returning rail service in the region to the private sector. Without it, there would be no chance to reach the goal we all agree is necessary, the end of federal funding for Conrail."

Conrail—shorthand for Consolidated Rail Corp.—is a 17,000-mile federally planned and financed freight line in the northeast and midwest. It was created five years ago from the best lines of the Penn Central Railroad and six other bankrupt, privately run railroads. Conrail currently owes the government $3.3 billion.

L. Stanley Crane, chairman and chief executive officer of the carrier, who joined Kroll and Florio at the news conference, said that the wage deferrals would enable Conrail to "get off the federal dole and return to the private sector, which has been the objective all along. This labor agreement . . . was the absolute keystone to our future."

CONTINUED government funding of the line over the next two or three years "simply would not come unless Conrail can achieve savings," Florio said. He noted that the Administration had reached its tentative decision to sell off Conrail "on the belief that this kind of concession could not take place." There was no immediate reaction to the concession agreement from Reagan officials.

Although the wage deferrals are aimed at preventing the breakup and sale of large segments of the freight line, Crane said that the private railroad that will eventually emerge probably would have "some shrinkage in terms of miles of track." He said that he was unsure whether there would be any personnel cuts.

The 12 unions that have agreed to the concessions are BRAC, the United Transportation Union, Boilermakers & Blacksmiths, Maintenance of Way Employees, Firemen & Oilers, Carmen, Machinists, Transportation Workers Union, Train Dispatchers, International Brotherhood of Electrical Workers, Machinists, Transport Workers, Yardmasters, and the American Railway Supervisors Association, which merged recently with BRAC.

Curbing Illegal Aliens

Firm, Fair Approach Urged on Immigration

The United States should combine a "compassionate" immigration policy with effective steps to stem the flood of illegal aliens and prevent the undermining of labor standards, the AFL-CIO urged.

Sec.-Treas. Thomas R. Donahue outlined at joint House-Senate hearings a 10-point AFL-CIO program for a "firm, clear, consistent and fair" immigration policy.

MANY OF ITS ingredients, he noted, were among the recommendations made last March by the Select Commission on Immigration & Refugee Policy. One of the commission's four public members was J. F. Otero, vice president of the Railway & Airline Clerks.

Donahue urged an immigration policy that would "foster reunification of families and offer haven for refugees from persecution, while adhering to the principle of concern for the welfare of American workers."

The United States is "a pluralistic society" that is "a better nation" for the contributions of its millions of immigrants, he stressed. But because illegal immigration "endangers jobs and labor standards," Donahue said, the AFL-CIO supports legislation that would include:

- Effective penalties for employers who hire illegal aliens, including criminal sanctions for repeaters.

"The lure of jobs is what brings most illegal workers into the United States. The quickest and the best way to stop illegal immigration is to stop giving jobs to illegal immigrants," the AFL-CIO said.

- An identification system for work purposes that can be checked by an employer at the time of hiring. The social security card could be used if improved and made "counterfeit-proof."

- Stronger border controls and increased funding for the Immigration & Naturalization Service. The AFL-CIO urged "full restoration of the 1,355 IRS positions and $21.6 million which would be cut under the Reagan Administration's budget plan."

- Better enforcement of labor standards and anti-discrimination laws. "The Labor Dept. should step up enforcement of labor standards legislation in areas and industries where significant numbers of illegal aliens are employed," and civil rights laws "must be rigidly enforced to eliminate any possibility that employers may discriminate against U.S. citizens."

- Ending dependence on temporary workers brought from other nations and eliminating one of the financial incentives for employers to use such workers by requiring them to pay social security and unemployment insurance taxes on them.

- A continued requirement that the Labor Dept. must certify that U.S. workers are not available and that employment of temporary workers from abroad will not adversely affect the conditions of U.S. workers. The law should be administered from the viewpoint of protecting American workers rather than better helping employers, the AFL-CIO urged.

- Acting to legalize the status of aliens "with a demonstrated attachment to the community," with consideration to the time an alien has lived in the United States and compassion for the families involved. But "the legalization process should not begin until the massive flows of illegal aliens into the United States have been stopped," the AFL-CIO cautioned. Otherwise, "the legalization process would simply encourage additional flows of illegal aliens."

- Before considering expanded legal immigration, "there is a need to absorb the full effect of a decade of large-scale legal immigration and refugee flow and to regularize illegal aliens and their relatives." The AFL-CIO, however, supports "continued emphasis on reunification of families and a humanitarian policy toward refugees," Donahue said.

- The United States "should continue to provide haven for refugees from political persecution" but should not be expected to do so alone.

O.A. Knight Dies, Retired Leader Of Oil Workers

Sun City, Ariz.—Funeral services were held here for O. A. (Jack) Knight, president of the Oil, Chemical & Atomic Workers for 25 years until his retirement in 1965.

Knight, who was 78, died on Apr. 16 at his retirement home here. He presided over OCAW during the period of its greatest growth. When he assumed the presidency in 1940, the union had a membership of 18,000. At his retirement, it was up to 170,000.

Born in New Hampton, Ia., Knight went to work for the Shell Oil Co. at its East Chicago, Ind., refinery in 1926, and was instrumental in organizing its workers there. He quit Shell in 1937 to work full time as an organizer for the Oil Workers International Union, OCAW's predecessor.

A vice president of the old Congress of Industrial Organizations, he represented the CIO on the unity committee that negotiated the merger with the American Federation of Labor. At the merger convention in 1955, he was elected a vice president of the AFL-CIO and of the federation's new Industrial Union Dept. He leaves his wife, Evelyn, and three brothers.

Court Bars Suits Against Wildcat Strikers

An employer can't sue individual union members for losses resulting from an illegal strike, whether or not the strike was authorized by the union, the Supreme Court ruled.

Its 7-2 decision upheld the action of lower courts that dismissed an employer's damage suit against members of the Teamsters who had taken part in an unauthorized "wildcat strike."

THE COURT said the employer could fire the strikers or otherwise discipline them for actions that violated the union contract, but he couldn't collect money damages from them.

The Supreme Court's reasoning was based, as the AFL-CIO had urged, on the intent of Congress when it dealt with the issue of lawsuits against unions in the Taft-Hartley Act of 1947. The AFL-CIO filed a brief with the Supreme Court because of the importance of the case, even though no AFL-CIO affiliate was directly involved.

In the Taft-Hartley Act, Congress stated clearly that while a union could be sued for damages resulting from a violation of a collective bargaining agreement, any money judgment could be enforced only against the union as an entity, and not against its individual members.

A UNANIMOUS 1977 Supreme Court decision in a Mine Workers case, in which the AFL-CIO also had filed a brief, specified that an international union cannot be held liable for an illegal strike by its local unions that it did not authorize or encourage in any way. In that case, the Supreme Court voided damages that had been assessed against the international union and its district council but let stand the judgment against the local unions.

The current case makes clear that an individual worker can't be sued by his employer for violating the contract even if the union can't be sued because it doesn't bear responsibility for the wildcat strike.

The opinion, written by Justice William J. Brennan, Jr., noted, as had the AFL-CIO brief, that the debate in Congress reflected a determination to avoid any recurrence of the infamous Danbury Hatters decision early in the century. Then, a union-inspired consumer boycott of a struck hat manufacturer resulted in a huge triple-damage judgment under the antitrust laws against the union and its members. Some had their homes seized to pay the fine.

NATIONAL OUTRAGE at the decision led to changes in the antitrust laws, and Brennan commented on the "deeply felt congressional reaction against the Danbury Hatters case" as voiced in the House and Senate debate on the Taft-Hartley Act.

The dissenters in the case were Chief Justice Warren E. Burger and Justice William H. Rehnquist. They said making workers financially liable for their actions in violation of a contract would result in "fewer unauthorized strikes" and "greater industrial harmony."

Council Blasts Bid to Scrap Standards

(Continued from Page 1)

ministration cutbacks in worker protections and social programs and had authorized a committee to work out the arrangements. The committee includes Vice Presidents Charles Pillard, Lloyd McBride, Murray Finley, Albert Shanker and William Wynn.

THE PURPOSE of the rally, Kirkland said, would be "to bear witness to the fact that there is a substantial part of the population who do regard these programs as items of essential value and importance to the people and to the Republic." He said there would be no particular target in terms of numbers of participants, and the objective is to have ample representation from a broad cross-section of labor and its allies in the civil rights movement and the Budget Coalition.

A report from the Standing Committee on Occupational Safety & Health, approved by the council, reviewed the Labor Dept.'s retreat on a wide range of job safety issues. It charged that the Reagan Administration is twisting the federal act from a law designed to protect workers into "a law protecting employers from the obligation of providing a safe and healthful workplace."

The council meeting was held in conjunction with the 31st Union-Industries Show, sponsored annually by the AFL-CIO Union Label & Service Trades Dept. Council members took part in the opening ceremonies and toured the show exhibits at the Baltimore Convention Center.

In other statements, the council opposed the sale to Saudi Arabia of Airborne Warning & Control Systems (AWACS) aircraft or equipment that would enhance the offensive capability of F-15 fighter planes previously sold to that country, called for changes in the 50-nation Multifiber Arrangement in the light of current international trade conditions, and urged the U.S. government to press both Britain and the Republic of Ireland to seek a lasting political solution of the violent dispute wracking Northern Ireland.

The council heard reports from Research Director Rudy Oswald on the condition of the U.S. economy and its dismal prospects under the Reagan Administration, from Legislative Director Ray Denison on the congressional outlook, and from Presidents Moe Biller of the Letter Carriers and Vincent Sombrotto of the Postal Workers on the current bargaining dispute with the U.S. Postal Service.

AFL-CIO Sec.-Treas. Thomas R. Donahue gave an interim report on literature, graphics and other visual materials already available or being produced to mark the federation's centennial observance this year.

Kirkland presented an analysis of the regional AFL-CIO conferences held so far, and the council heard reports from other committees dealing with political activities, union mergers and international labor developments.

The council also rendered decisions on a number of internal disputes findings by impartial umpires that were appealed under Article XX of the AFL-CIO constitution.

IN ITS STATEMENT on industrial homework, the council noted that such schemes were long a "scourge" of the labor-intensive apparel industries because much of the work can be done on simple sewing machines. The "horrors" of industrial homework—substandard wages, child labor, excessive working hours, unsafe and unhealthful working conditions—became so rampant that states began to regulate homework more than 80 years ago. Forty years ago, the federal wage-hour authorities banned homework in seven industries — women's apparel, knitted outerwear, embroidery, gloves and mittens, buttons and buckles, handkerchiefs and jewelry — except for elderly or disabled persons or those who care for them.

Donovan's announcement proposing that the ban be lifted followed within two weeks his highly publicized "raids" on garment industry sweatshops in New York's Chinatown and in Chicago, where blatant wage-hour violations were found along with large numbers of illegal aliens among the exploited workers.



REPORTERS COVERING the AFL-CIO Executive Council sessions question President Lane Kirkland at a news conference. The council meeting tied in with the AFL-CIO Union-Industries Show at the Baltimore Convention Center.

HE SAID the removal of restrictions on homework "will in no way mean a reduced commitment to ending workplace violations wherever they occur — in factory sweatshops or in the home." He said the action would open up job opportunities in many "cottage" industries and encourage workers to report minimum wage violations "without fear of losing their jobs."

The Executive Council pointed out, however, that the reason the restrictions were imposed in the first place was that federal authorities found it impossible to enforce wage and hour standards in the home.

Further, the enforcement problem will be compounded by the "drastic cutbacks" in enforcement staff that Donovan has announced, the council observed.

IT CHARGED that the Secretary's proposal would "turn back the clock and disregard the experience of many decades, bringing back the sweatshop to the kitchens of city tenements and country homes in all sections of the country."

Moreover, the council noted, the many illegal aliens currently caught up in homework schemes are hardly likely to report minimum wage violations of their employers because they fear deportation if they reveal themselves to the government.

"Clearly, this will encourage employers to divert work from factories to unprotected workers working at home," the council said.

COMMENTING on Donovan's claim that the easing of federal regulations follows "a mandate" from the voters, Kirkland called that "quite a bizarre construction of the results of the last election." No one on the winning side, he observed, campaigned on the basis of undermining work standards by placing workers back in the kitchen at subminimum wages or reversing Labor Dept. policy on brown lung disease.

Kirkland expressed sharp disagreement with the Reagan Administration's suggestion that there is heavy support for its program among union members.

"I think I've met more of the rank-and-file than he (Reagan) has and do so repeatedly . . . and I see no sign of that," Kirkland said. "We see the contrary: There's deep concern."

THE AFL-CIO is convinced, he said, that the consequences of the Reagan budget cuts "are going to be profoundly adverse to the best interests of the country and its people, and we only regret that apparently very few people in the Congress are prepared to stand up and exhibit a 'profile of courage' and fight."

In response to other questions at this news conference, Kirkland said:

- He is optimistic that the Auto Workers will reaffiliate with the federation before too long, in the light of their favorable vote on that question, which would "enhance the solidarity of the trade union movement very greatly in these difficult times." He plans to meet with UAW President Douglas Fraser and the union's executive board later this month and hopes that reaffiliation will follow shortly.
- The question of the reaffiliation of the Teamsters is now a matter for that union's own internal deliberations, since the AFL-CIO has issued the invitation and has met with Teamsters officials on the subject. The death of IBT President Frank Fitzsimmons and the question of choosing his successor may have put the subject on the "back burner" for a time.

THE COUNCIL approved a 1981-82 budget for the George Meany Center for Labor Studies totaling $2,736,565, a slight increase from last year.

It also approved contributions to No Greater Love, the A. Philip Randolph Institute, the Full Employment Action Council, The Center for Welfare Policy, the African-Asian Institute, the New Leader, the Council on Crime & Delinquency, and the Michael Hammer Scholarship Fund.

The next council meeting was scheduled for Chicago, Aug. 3-5.

Revised Trade Pact Sought To Restrain Textile Imports

Baltimore—Changes are needed in the 50-nation Multifiber Arrangement to take account of the cumulative effect of imports on the American textile and apparel industries and their workers, the AFL-CIO Executive Council said.

The council pointed out in a statement that these industries, already depressed, are being swamped by the flood of imports and thousands of jobs are being lost.

IT NOTED that last year the United States recorded a $4-billion deficit in textile and apparel trade, with imports of some apparel products now exceeding American production.

"The future does not bode well if import levels continue to climb 8 percent annually, while the U.S. market grows at only 1 to 2 percent annually," the statement observed.

For 1978 alone, about 614,000 U.S. job opportunities were lost from both direct and indirect effects of imports—nearly a fourth of all jobs in the fiber, textile and apparel industries, the council reported.

FURTHERMORE the council pointed out, the outlook for displaced workers is made even bleaker by the Reagan Administration's proposals for heavy cuts in the "already inadequate" Trade Adjustment Assistance program.

The Multifiber Arrangement (MFA), which was negotiated in 1973 and renewed in 1977, has helped preserve many textile and apparel jobs, but it has not succeeded in containing "the relentless surge of imports," the council said, as new suppliers add to the already high quotas of the major Asian exporting nations.

Simply maintaining the existing MFA is not enough, the statement declared. It called on the U.S. government in the negotiations now under way to seek these changes in a renewed MFA and in bilateral agreements:

- Regulation of imports in line with production changes in the importing countries. Specifically, the permitted annual growth rate for imports of 6 percent should be modified to reflect the growth rate of 1 to 2 percent that American industry is experiencing.
- Control of imports of specific products in their entirety, rather than on a piecemeal basis.
- Limiting nations with fully industrialized textile and apparel production to no growth in their quotas for the U.S. market.
- Elimination of the flexibility provisions in the MFA to curb the instability of year-to-year surges in import quotas.
- Expansion of the MFA to cover all apparel products, not just those made of wool, cotton or synthetic fiber.

AWACS Sale to Saudi Arabia Opposed

Baltimore—the AFL-CIO warned that the sale of highly sophisticated AWACS aircraft and offensive equipment for F-15 fighter planes to Saudi Arabia would be an act of irresponsibility and high potential risk to world peace.

"The addition of AWACS to the Arab arsenal would destabilize the Middle East balance, to Israel's disadvantage," the Executive Council said in a statement issued at its spring meeting here.

"The current fighting in Lebanon is a grim reminder of the ever-present threat of war in the Middle East."

AWACS aircraft are not only used for surveillance, but as a battle control station, the council observed. Used in conjunction with enhanced F-15s, AWACS is a potentially devastating offensive system, it added.

"Legitimate U.S. interest in resisting Soviet encroachment in the Middle East will not be served by providing this highly sophisticated aircraft to an unstable feudal monarchy which lacks the internal security required to prevent the top-secret AWACS technology from falling into hostile hands," the council said.

Saudi Arabia has declared a holy war against Israel, helps finance the terrorist activities of the Palestine Liberation Organization, coordinates opposition to the Camp David peace process, and undermines Egyptian President Anwar Sadat, the AFL-CIO observed.

Three years ago, the council opposed the sale of F-15 fighters to Saudi Arabia. The sale nonetheless took place, with assurances to Congress that the planes would not carry offensive equipment such as fuel tanks and bomb racks, which increase the aircraft range and firepower. The Administration is now considering providing the Saudis with this equipment, a move which can only weaken the credibility of U.S. commitments, the council warned.

Turning Back the Clock

THE SECRETARY OF LABOR has proposed to wipe out the 40-year-old ban against industrial homework in the women's apparel, knitted outerwear, embroidery, glove and mitten, button and buckle, handkerchief and jewelry industries.

This action threatens to open the way for the return of the sweatshop to the home and to undermine and ultimately destroy traditional standards protecting workers, employers and consumers.

Industrial homework became a scourge of the apparel industries because they are highly labor-intensive and require only simple sewing machines to operate.

THE HORRORS of industrial homework—substandard wages, child labor, long hours of work, unsafe and unhealthful working conditions—became so rampant that states began to regulate homework more than 80 years ago.

Forty years ago, the federal wage and hour authorities banned homework in these industries because it was clear that the enforcement of federal wage and hour standards is impossible in the home. Thirty years ago, Congress ratified these bans on homework.

Now the Secretary of Labor proposes to turn back the clock and disregard the experience of many decades, bringing back the sweatshop to the kitchens of city tenements and country homes in all sections of the country.

Moreover, since many people engaged in homework are illegal aliens, who work without records being kept and live in fear of any government authorities, violations of the minimum wage laws by their homework employers will go unreported by these workers for fear that they will be deported if they reveal themselves in complaints to the Labor Dept.

CLEARLY, this will encourage employers to divert work from factories to unprotected workers working at home.

At the same time, the Secretary of Labor has announced plans for drastic cutbacks in enforcement staff. This will compound the difficulty of enforcing wage and hour standards for all workers.

The AFL-CIO strongly opposes the Secretary of Labor's proposal to end the 40-year-old federal regulations prohibiting homework in the women's apparel, knitted outerwear and five other related industries.

We also urge the Secretary to reverse the proposed cuts in the Labor Dept.'s enforcement staff and provide for improved, not weakened, enforcement of the Wage & Hour Law.

—Statement by the AFL-CIO Executive Council, May 7, 1981, Baltimore.

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THOMAS R. DONAHUE, *Secretary-Treasurer*
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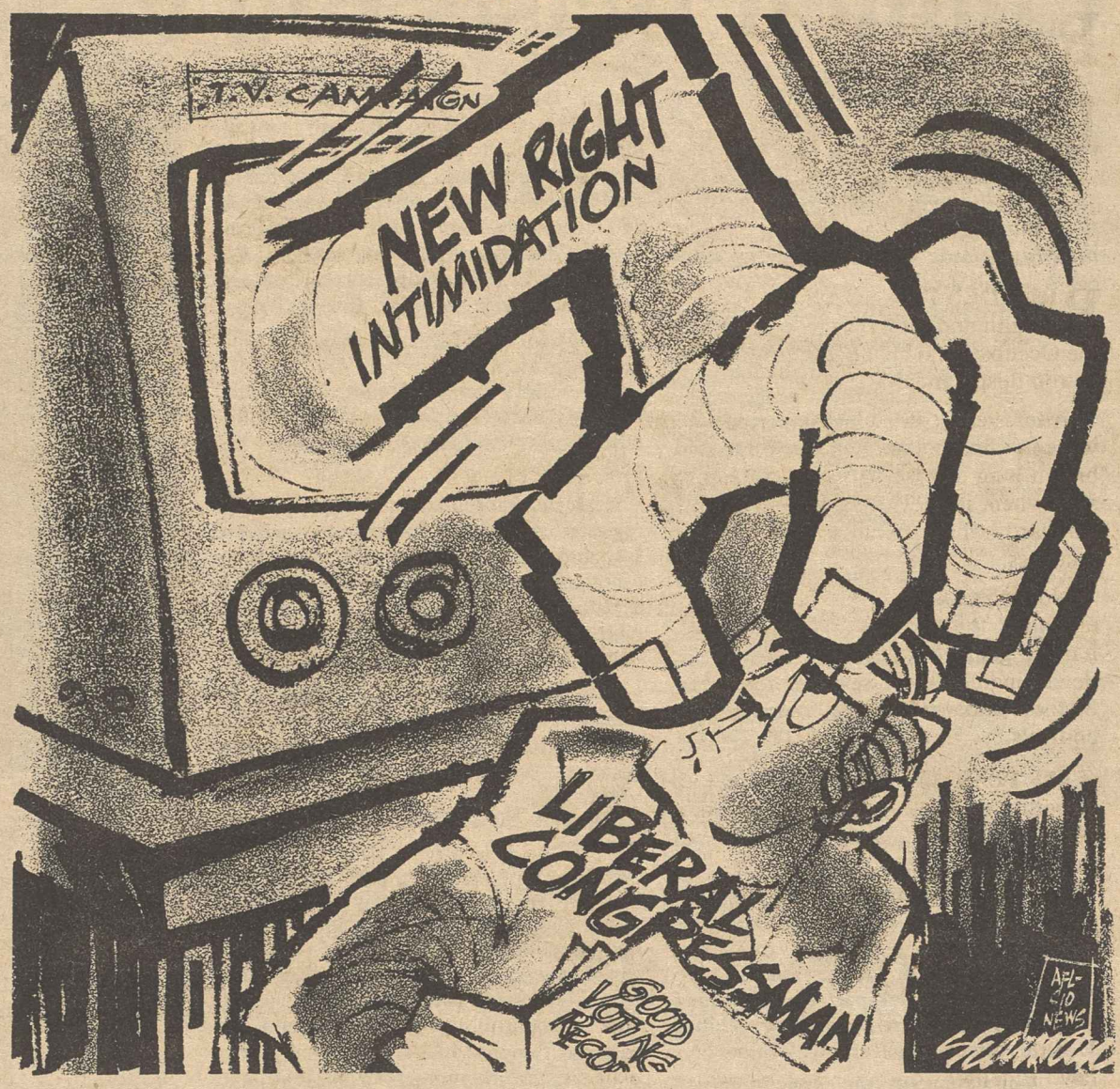
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'You're Next!'



Tracking the Economy

1st-Quarter Productivity Rise Confounds Economic 'Experts'

By Gus Tyler

OFFICIAL ECONOMICS is embarrassed again. In the first quarter of this year, productivity leaped upward in a healthy bounce of 3.6 percent. Whereupon Business Tonight reported that the event "confounds experts as companies produce more with less."

How shall we explain the confounded state of these "experts?" They are in the predicament of the sage who told everyone that the moon was made of green cheese. Then, one day, some astronaut came back from the moon to report that he found all kinds of things on the moon, but not an ounce of cheese. The expert wanted to know what happened to all that green cheese.

A RISE IN "productivity" means that the hourly output of the average worker in America has risen. In the last nine months, productivity rose by 3.8 percent in the third quarter of 1980, fell by half a percent in the fourth quarter, and leaped upward again in the first quarter of this year. This behavior makes a mockery of all the nonsense emitting from he economic experts.

They said, for instance, that productivity has been sliding because businesses do not have enough capital to invest in modernizing their production methods. If that's so, why did productivity rise heftily in one quarter, sink badly in the next, leap upward in the following quarter? Obviously there were no such wild oscilliations in investments in new technologies.

They said, for instance, that government regulations for safety and health are a drag on productivity. Why were they a drag in October to December of 1980 but not in the three months preceding and the three months following?

THEY SAID, for instance, that workers malinger because they have too much union protection. So why do workers "malinger" at year's end and get busy with the new year?

No, all those official theories about why productivity lagged in the 1970s are as valid as the nonsense about the moon being made of green cheese.

Productivity in the 1970s lagged because it was White House policy to "cool the economy" to curb inflation, and when the economy slows down so does productivity. When the economy picks up so does productivity.

In the first quarter of 1981, our national output jumped upward by a substantial 6.5 percent. Productivity rose accordingly.

When the economy is cooled, we are stuck with idle plant and personnel. Full-time supervisors have fewer to supervise; full-time salaried employees have less work; even hourly wage workers slow down when there is less to do. When the economy picks up, supervisor and worker are busy and turn out more per hour.

WHAT HAPPENED in the quarter—and in similar quarters—is proof that the best way to lift productivity is by uncooling the economy, by pushing for full employment.

The facts are clear and have been for many years but the facts don't seem to be enough for those economists who still think the economy is made of their brand of "green cheese."

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Back-Home Lobbying Gets Ear of Congress

In the last Congress, when back-home union members told their legislators where they and their union stood on specific issues, labor's positon usually prevailed.

When union members remained silent, labor lost.

Grass-roots lobbying makes the difference.

Union members, as concerned citizens, must hold their elected officials accountable for their actions—not just at election time, but all year round.

Unless workers take the time to write, call or visit their lawmakers, thanking and encouraging them when they are right and criticizing them when they are wrong, the legislative interests of workers will suffer.

If the voice of working people is not heard, then the needs of working people will be ignored.

—AFL-CIO Legislative Director Ray Denison in foreword to The People's Lobby, a report on the 96th Congress.

Putting a Price Tag on Life

Retreat on OSHA Standards Denies Workers' Basic Rights

This article by Murray H. Finley, president of the Clothing & Textile Workers, is reprinted from the May 4 issue of the New York Times.

PRESIDENT REAGAN has opened his war on health and safety protection with an attack on the Occupational Health & Safety Administration's cotton dust standard.

After years of suffering and struggle, textile workers finally won protection from crippling brown lung disease—its medical name is byssinosis—when, in 1978, OSHA issued its cotton dust standard, which reduced the quantity of dust in factories.

Now the Labor Dept. is trying to weaken or eliminate the protection that workers fought so hard to gain. It appears that the Administration is determined to find a basis for tearing out the heart of the standard: the requirement for engineering controls.

TO TEXTILE WORKERS, who are exposed to cotton dust every working day, it is a question of life or death. Brown lung victims suffer a shortness of breath that grows progressively worse; the disease slowly cripples workers and finally leads to an agonizing death.

In 1970, this country decided it had witnessed enough of this tragedy.

Congress passed the Occupational Safety & Health Act, which Richard M. Nixon signed into law. Finally, workers were guaranteed what is morally due them: the right to a safe and healthful workplace, and the legal duty of employers to make it safe.

Some employers—namely Burlington Industries and J. P. Stevens, both textile manufacturers—already have largely complied with the standard. So it is obvious that the standard is attainable.

Of course, we didn't get the OSHA law without a struggle. The United States Chamber of Commerce and industry associations fought the labor movement all the way. But the law was passed and textile workers thought they had won a victory. That would settle the issue, one might believe.

A GOVERNMENT of law should live up to the law. It would seem incredible to even suggest that the government would stop enforcing the law, that officials that have sworn an oath to uphold the law would try to undermine it.

Who could have guessed that Sec. of Labor Raymond J. Donovan would decide that employers should be given the option of forcing their workers into respirators and gas masks instead of cleaning up factory air?

It seems incredible that in 1981 anyone could seriously suggest trading lives for dollars, but that is exactly what workers are facing. By not enforcing the standard, by stalling, the Administration is giving the textile industry a license to kill.

THAT IS WHY thousands of workers in 30 cities across the country are demonstrating this week to oppose the Reagan attempt to dismantle the cotton dust standard.

They are speaking out because for generations textile workers have died before their time, husbands and wives have wept for loved ones, and children have lost a parent.

They are demonstrating because workers are killed, injured, and diseased on their jobs because their employers have failed to take precautions that can end this carnage.

If the Occupational Safety & Health Act was intended to accomplish anything at all, it was to rid the workplace of toxic substances. Never did Congress seek to create a workforce encased in respirators and gas masks. Nowhere did it ask the Secretary of Labor to try to put a price tag on life. The current efforts in that direction subvert the legislative process.

WHAT WOULD be the impact on textile workers, their families, and the nation as a whole?

In 1979, the Labor Dept. reported to Congress that 74,000 workers would be spared the agony of brown lung disease by the requirements of the cotton dust standard. If Mr. Donovan is successful, he will deny that protection to 50,000 of those workers.

The dimensions of that human tragedy are unthinkable, not only for the afflicted workers but also for their families and their communities.

The textile industry may save money, but workers and taxpayers will pay the costs.

BY ALL reasonable estimates, it will cost the government $5 billion to provide disability benefits and medical care for brown lung victims. Each victim requires $100,000 in income support, medical expenses, and administrative costs. This does not even include the additional $378 million in workers' compensation costs.

While these figures themselves are sufficient to justify the retention of the existing standard, we must not allow ourselves to succumb to the game of numbers. Workers have a right to a clean workplace, free from recognized hazards. Congress declared this right in 1970, and it must be maintained today, no matter how fierce and heartless are the cries for its subversion.

We must remain a nation of law and a nation with compassion.

Programs Face Curtailment

School Children to Bear Brunt Of Reduced Aid to Education

SCHOOL CHILDREN throughout the nation will feel the brunt of the cuts in the education budget that the Reagan Administration is urging Congress to approve, AFL-CIO Education Director Dorothy Shields warned in a network radio interview.

The deep slashes in federal assistance that the Administration urges are more than "trimming." She said the cuts, if approved, will force hard-pressed school districts to end or severely curtail programs aimed at educational equity, access, help for the handicapped and other children with special learning problems. School-related programs in nutrition, child care, drug and alcohol abuse and additional tutoring in basic reading skills are also threatened, she said.

Questioned by reporters on Labor News Conference, Shields said that while it is possible to do "a more efficient job with the funding available," the Administration is rushing for congressional approval of cuts that are "measured only by the budget deficit—not measured by the pluses or minuses of the programs" that will be affected.

SHE SCORED the effort to convert much of the remaining federal aid to schools to unrestricted block grants that will let the states "choose among a number of very serious problems that have to be addressed." She added that "those most in need will be forced to compete for the least amount of funds," which would be a "severe blow to the children who need help the most."

Reporters questioning Shields on the AFL-CIO produced public affairs program were Ann McFeatters of Scripps-Howard Newspapers and Robert Cooney of Press Associates, Inc. The program is aired weekly on Mutual radio.



Washington Window

By Press Associates, Inc.

AMERICAN WORKERS won a historic victory in 1970 when Congress enacted the Occupational Safety & Health Act, thereby acknowledging for the first time that workers have a right to minimum standards of safety and health on the job.

Long before the 10th anniversary of the law's effective date—which labor is now commemorating—OSHA had become a workplace word because it touched the lives of so many.

It is remembered that OSHA's birth was not an easy one. It was the culmination of decades of struggle by organized labor as well as growing public awareness of and disgust with the yearly thousands of needless job-related deaths and injuries.

Now, under the guise of regulatory reform, so-called cost-benefit analysis, and spending restraint, the Reagan Administration has begun to unravel the painstaking gains of a decade.

A SAMPLE of the standards which the new OSHA administration has killed, "postponed" or is trying to stall include cotton dust, lead, asbestos, cadmium, noise, toxic substance labeling and walk-around compensation.

OSHA's funding would be sharply cut by the Administration's proposed budget and even more by a Senate Labor subcommittee. This would mean fewer OSHA inspections than the currently less than adequate on-site visits. "Voluntary compliance" would be emphasized.

Also, the Administration proposes to chop by a third the budget of the National Institute for Occupational Safety & Health, whose scientific testing provides the basis for OSHA regulations. The Administration already has fired the director of NIOSH.

SUPPORTERS OF OSHA have exposed "cost-benefit" analysis not only as a cruel trade-off of human life and health for profits but also as a sham. This pseudo-scientific gimmick, they note, takes a proposed action to improve health or safety and subtracts arbitrarily selected costs in dollars from arbitrarily selected benefits in dollars.

But as the OSHA-Environmental Network, a coalition of labor and environment groups, points out, this method, "when used to determine who and how many should die, cannot fairly incorporate the value of those lives to the victim, his family or his society; future human, economic and ecological effects and their value, and the public's health care, welfare and productivity costs."

In setting forth rules or standards, OSHA already is required to consider their "feasibility" from both a technical and economic standpoint. These considerations have made it easy enough to err on the side of dollars before lives.

REAGAN'S BOOKKEEPERS and deregulators conveniently ignore other factors in their false equations, such as the fact that health and safety regulations help stimulate the economy and create jobs by requiring improved technologies to be manufactured, installed and maintained.

Although OSHA currently is under its sharpest attack ever, there have been strong challenges by powerful interests all along.

Every annual congressional appropriations bill for OSHA was threatened by pot-shot amendments, culminating in 1975 with the passage of a rider exempting employers of ten or fewer workers from OSHA requirements.

AMENDMENTS TO CUT back OSHA's funding were defeated in 1978 and 1979. Last year, pressure from organized labor helped to block the Schweiker proposal to exempt so-called "safe" workplaces from major provisions of the law.

One price of America's industrial might is the awful toll of 4,950 work-related deaths and 6 million job-connected injuries and illnesses each year. It is tragic and inhuman that, just at the time health and safety have become valued in the workplace, the Administration has chosen this area to "get the government off the backs of business."



STUDENTS FROM kindergarten to college will bear the brunt of the Reagan Administration's education budget cuts, AFL-CIO Education Director Dorothy Shields, center, warned on Labor News Conference. Shields was questioned on the network radio interview by Ann McFeatters of Scripps-Howard Newspapers and Robert Cooney of Press Associates, Inc. The public affairs program is aired weekly on Mutual radio.



BROWN LUNG VICTIMS conduct a candlelight vigil in Washington to protest the Reagan Administration's attempt to stall implementation of OSHA's cotton dust standard. The Clothing & Textile Workers held protest demonstrations in 35 other cities across the country on May 4.

'Victims' Vigil' Opens All-Out Fight to Save Cotton Dust Standard

(Continued from Page 1)

victims' vigil held in 36 cities across the country. It was one in a series of weekly demonstrations initiated by the Industrial Union Dept. and environmentalists to protest attacks on federal safety and health regulations.

Kirkland said the labor movement is tenaciously committed to the battle to save OSHA.

"We will defend the health and safety of workers in any arena—the courts, state legislatures, bargaining, the streets if necessary, and wherever public opinion takes shape," he declared.

EARLIER, a delegation of 60 ACTWU representatives and brown lung victims—many in wheelchairs—tried to meet with Labor Sec. Raymond J. Donovan or Assistant Sec. Thorne G. Auchter but were stopped by security guards. They were told Donovan was out of town and Auchter was quoted as telling a group of about 20 reporters that the ACTWU delegation was too large for any "meaningful dialogue" to take place.

Before the rally, four top officers of ACTWU met with Vice President George Bush to tell him that the Administration's cost-benefits study would further delay the installation of needed engineering controls and thereby extend the risk of textile workers in contracting brown lung disease. Bush contended that workers could be adequately protected by wearing respirators, the union leaders reported.

ACTWU's President Murray H. Finley, Sec.-Treas. Jacob S. Sheinkman and Executive Vice Presidents Sol Stetin and Scott Hoyman sought to convince Bush that the cotton dust standard should be kept intact.

KIRKLAND NOTED that, after a 15-year struggle by textile unions to persuade the federal government that cotton dust kills, the Carter Administration issued a standard in 1978 that requires mill owners to install engineering controls, provide other safeguards and reduce the use of cumbersome respirators.

But the Reagan Administration and big business interests decided they didn't like it, Kirkland observed.

"The way the facts on cotton dust and brown lung total up, they don't like the numbers, so they will reopen the rule-making procedure until they get it right. Getting it right will mean in their parlance 'getting the government off our backs,' " he said.

On the eve of the rally, a memorial service and candlelight vigil for brown lung victims were held at St. John's Episcopal Church next to the AFL-CIO headquarters and a block from the White House.

FEDERATION Sec.-Treas. Thomas R. Donahue described the service as a vigil not only for the dead and those suffering with the disease.

"It is a memorial service as well for the living and for those even yet to be born who nonetheless are condemned to die from this disease as long as cotton dust is permitted to accumulate in the lungs of textile workers," Donahue said.

In addressing the rally, held in a large tent erected on parkland across from the Labor Dept., Finley pledged: "We will not weaken, we will not retreat until there is no more brown lung disease in the mills of this country. We are determined to put some compassion back into government."

Senators Lowell Weicker (R-Conn.) and Howard Metzenbaum (D-Ohio) also vowed in their addresses to fight for maintenance of effective OSHA regulations. Similar pledges were made in messages from Senators Edward M. Kennedy (D-Mass.) and Daniel Patrick Moynihan (D-N.Y.) and Rep. Mario Biaggi (D-N.Y.).

AMONG THE demonstrators confronted by police outside the Labor Dept. headquarters was 80-year-old Inez Howland, who has been suffering from brown lung disease for the past 15 years. She was among a number of textile workers who were in wheelchairs because of their disabilities.

ACTWU reports that there are 35,000 brown lung victims totally and permanently disabled by the disease. An estimated 85,000 of the nation's 560,000 textile mill workers suffer from some degree of byssinosis.

Other demonstrations were held across the country, in New York, Chicago, Los Angeles and in smaller cities such as Scranton, Pa., Little Rock, Ark. and Manchester, N.H. In Allentown, Pa., ACTWU members distributed OSHA booklets on the hazards of cotton dust which Auchter had ordered recalled because he determined they were biased in favor of workers.

The demonstration in Opelika, Ala., was held a day later so that the busload of ACTWU members and brown victims who participated in the Washington rally could take part on their return.

House Conservative Coalition Wins Showdown on Budget

(Continued from Page 1)

recommendations for a variety of people-helping programs. And in fact it would have avoided the projected deficit of the rival budget proposals by deferring the revenue-losing tax cut another year.

BUT THE Obey substitute was crushed, 303-119. Only one Republican, James M. Jeffords of Vermont, voted for it. And 117 Democrats joined 186 Republicans in defeating it. A proposal backed by the congressional Black Caucus to shift funds from defense to social programs was rejected by an even bigger margin.

The Republican-controlled Senate has up to now given the President everything he has requested on budget issues and the few relatively liberal Republican senators are more than balanced by conservative Democrats.

More than a month ago, it voted 88-10 to direct its committees to reduce spending levels by $36.9 billion in fiscal 1982, about the same as the House action.

Now the Senate has before it a comprehensive budget resolution, the counterpart of the measure the House has adopted.

AFL-CIO Legislative Director Ray Denison put senators on formal notice that labor is "in total disagreement" with the economic assumptions of the budget.

"The AFL-CIO believes that the proposed spending reductions will do irreparable damage to human lives and community economic well-being," he wrote each senator.

The federation, he said, considered the Administration's tax proposals "inflationary and outrageously skewered toward bettering the economic position of the wealthy."

DENISON SAID labor sees "no justification for throwing billions of dollars a year in federal tax cuts under the Kemp-Roth plan to the nation's corporations and their stockholders and high income individuals" in the hope that benefits will "trickle down to workers and consumers."

In terms of congressional sentiment, there has been more dissent expressed to the Administration's deficit-increasing tax-cut proposals than to its spending cuts.

While both the House and Senate budget resolutions project revenue losses from tax cuts along the lines sought by the Administration, the estimates in this case are not binding and tax legislation will be dealt with separately from the budget process.

Postal Service Pressed to End Bargaining Delay

Baltimore — The AFL-CIO Executive Council urged the U.S. Postal Service to drop its maneuvers before the National Labor Relations Board, and begin to negotiate a new agreement with the unions that represent nearly 600,000 postal workers.

In a wire to Postmaster Gen. William F. Bolger, Federation President Lane Kirkland said that labor views "with great concern" Bolger's refusal to sit down and negotiate with the Letter Carriers, the Postal Workers, the Mail Handlers division of the Laborers, and the unaffiliated National Rural Letter Carriers Association. He urged Bolger to join with the unions in "an honest and sincere effort" to reach agreement.

Letter Carriers President Vincent R. Sombrotto and Postal Workers President Moe Biller reported to the Executive Council on the impasse with the Postal Service. Management shunned the opening session of the contract talks and petitioned the NLRB for a new bargaining unit determination. An NLRB regional director dismissed the petition last week, and gave the Postal Service until May 13 to appeal the decision.

Arbitrators Report Record Caseload

New York—The American Arbitration Association reported that a record 17,062 labor disputes were registered with its 24 regional offices last year.

The total is the highest number of labor filings in the organization's 55-year-history. It compares with 16,669 in 1979.

New Poll Casts Doubt On Reagan Economics

A national poll commissioned by the State, County & Municipal Employees revealed that President Reagan's personal popularity doesn't carry over into many of the details of his economic program.

The poll, based on interviews in late April, found 63 percent rating Reagan's record as good to excellent. But it also found only a minority wanting Congress to adopt his budget-cutting proposals intact.

Depending on how the question was phrased, the majority opposed to Congress giving the President all he has proposed ranged from 53.2 to 81.9 percent.

The poll, by Fingernut/Granados Opinion Research, also found majority disagreement with the President's budget cuts on specific issues. And only 34.5 percent of the group said they would support a tax program that would give the biggest benefits to the wealthy.

Schedule for May Listed By Labor Studies Center

Classes in organizing techniques and grievance arbitration highlight activities during May at the George Meany Center for Labor Studies, Silver Spring, Md. The classes are open to full-time officers and staff members of AFL-CIO affiliates.

Three national and international unions are using the campus facilities for their own training programs during the month, along with the Building & Construction Trades Dept. and the American Institute for Free Labor Development (AIFLD). The schedule:

Organizing Techniques, May 3-8—An institute on the essentials of successful organizing campaigns and review of National Labor Relations Board procedures.

Arbitration: Preparation & Presentation, May 17-22—An opportunity to prepare a grievance case for hearing, argue it before a professional arbitrator, hear his comments and suggestions, and review the case on videotape.

Unions using the campus for their own leadership development programs are the State, County & Municipal Employees, May 3-8; Communications Workers, May 10-13; Railway & Airline Clerks, May 10-15.

The Building & Construction Trades Dept. is conducting a program for organizers, May 10-15.

AIFLD is sponsoring two groups on campus beginning May 3—20 Portugese-speaking trade unionists from Brazil and 22 English-speaking union leaders from Caribbean countries.

More information on these and other labor studies programs may be obtained from Fred K. Hoehler, Jr., executive director, George Meany Center, 10000 New Hampshire Avenue, Silver Spring, MD., 20903. Telephone: 301/431/6400.

'Most Successful'

Labor Backs Extension Of Voting Rights Law

The Voting Rights Act has been the nation's "most successful" civil rights law and is still needed, AFL-CIO President Lane Kirkland testified at House hearings.

Kirkland expressed the AFL-CIO's support for a bill introduced by House Judiciary Committee Chairman Peter W. Rodino, Jr. (D-N.J.). It would extend the Voting Rights Act 10 years beyond its 1982 expiration date and clarify a section dealing with standards for judging local and state voting laws.

BECAUSE CIVIL rights legislation has frequently had to overcome Senate filibusters and other delaying tactics, a House subcommittee headed by Rep. Don Edwards (D-Calif.) has begun early hearings on the extension bill.

Kirkland cited the long history of legal subterfuges and harassments that kept blacks and other minorities from voting in many areas of the nation and warned against assuming that the danger of discrimination has been eradicated.

"Our national history and the inevitable lingering consequences of that history made this law necessary," Kirkland said, "and make its continuation essential."

THE LAW was first passed in 1965 and broadened in 1975 to extend its special protections to Hispanics and other language minorities.

If opponents cannot prevent the law's renewal, they are expected to seek to eliminate a requirement that jurisdictions with a past history of discrimination must obtain Justice Dept. or federal court approval for any change in their voting laws.

Kirkland urged the continued need for such safeguards, and supported a provision in the Rodino bill that would make clear that a voting change cannot pass muster if the effect is to discriminate, even if there is no showing of an intent to discriminate.

AS FOR the evidence of continued need, Kirkland cited the fact that more than 800 proposals for changes in voting laws have been rejected as discriminatory.

"It is evident that there remains a solid determination in some quarters to block equality of voting rights," Kirkland said.

Citing attempts to dilute the law and make it applicable in all states and localities, Kirkland questioned the motive for seeking to impose regulation where there is no evidence that it is needed.

The framers of the original law, he noted, "took pains to devise an enforcement system that is simple and speedy. Under Section 5, the heart of the Act, a covered jurisdiction sends to the Attorney General a copy of the voting law that jurisdiction wishes to follow, and material on the law's purpose and effect.

"THE ATTORNEY General must reply within 120 days; if his response is that the law meets the Act's requirements, that is the end of the matter."

Because the law is so effective and simple to administer, Kirkland said, blacks and other affected minorities "are now participating in political life in greatly increased numbers, both as voters and as candidates."

The burden of proof should be on those who would let the law lapse or change its provision, Kirkland insisted.

Labor Stresses Need to Enforce Key Regulations

(Continued from Page 1)

"We do not believe that workers should wait indefinitely for protection against deafening noise," he said, or be forced to wear respirators on the job to save the cost of engineering controls.

Labor considers that the government has "an inescapable role" in protecting its citizens, Kirkland said. Experience teaches that without regulation, "manufacturers do not take care of the environment, employers do not take care of workers and sellers do not take care of consumers."

Kirkland said the material furnished by Bush's Task Force on Regulatory Relief indicates that the trade union movement is "fundamentally at odds" with the Administration approach. The Administration seems bent on "increasing corporate authority at the expense of environmental, worker and consumer protection," he protested.

THE LABOR MOVEMENT is willing to cooperate for constructive purposes, Kirkland wrote Bush, and labor recognizes that laws and regulations "do not always work perfectly."

Many union people "have direct experience with the effects of government regulations," Kirkland noted, and "we would be pleased to put that experience at your disposal."

But Kirkland emphasized that "given the trust imposed on us by our members, we can only cooperate in an effort to improve the regulatory process—to do a better job of cleaning the environment, protecting worker health and safety and job rights, and assuring consumer protection."



MARVIN CAPLAN, legislative director of the AFL-CIO Industrial Union Dept. and former director of the Leadership Conference on Civil Rights, accepts a brief case from retiring LCCR Chairman Clarence M. Mitchell, Jr., as a tribute to his service with the civil rights coalition. He was honored at the organization's annual meeting in Washington.

Reagan Bid to Cut Medicare Seen Costlier in Long Run

Administration proposals to cut back on Medicare services could cost the government as well as the elderly more money in the long run, the AFL-CIO warned.

Legislative Director Ray Denison stressed the false economy aspect in a statement submitted to a House Ways & Means subcommittee that is evaluating various budget cut proposals.

LAST DECEMBER, in what was intended as a step that would result in long-term cost reductions, Congress approved legislation that removed the previous 100-visit limit on home health services under Medicare, and also expanded comprehensive outpatient rehabilitation services and allowed reimbursement for alcoholism treatment at a facility not connected with a hospital.

Now the Administration wants to discard these provisions and make other budget-reducing cutbacks in health services.

A congressional committee report that accompanied the legislation enacted last year predicted that the initial increase in costs would be more than made up in future years by eliminating the need for costly hospitalization and substituting less costly outpatient and home care.

Denison also protested an Administration proposal to end reimbursement for vaccination of the elderly against pneumonia. "The cost of prevention is less than the cost of curing the disease after it has been contracted," he said in testimony based on an analysis by the federation's Dept. of Social Security.

On other budget-cutting proposals being considered by the subcommittee, Denison said the AFL-CIO would strongly oppose:

- Less frequent inspection of nursing home facilities that are eligible for Medicare reimbursement.
- Requiring employers with hospital insurance plans to pay for full hospital coverage for workers over 65 who are entitled to Medicare coverage.
- Increasing deductions and co-insurance under Medicare as a means of holding down costs.

Fitzsimmons Role Cited in Building Teamsters' Gains

Teamsters' President Frank Fitzsimmons, who died of cancer May 6, "built a strong organization that was respected for its ability to represent the best interests of its members," AFL-CIO President Lane Kirkland and Sec.-Treas. Thomas R. Donahue said.

In a joint statement, the federation officers noted Fitzsimmons's frequent cooperation with AFL-CIO affiliates "on issues of mutual concern to America's working men and women." An Industrial Union Dept. statement noted his cooperation with IUD's coordinated bargaining programs. Fitzsimmons, 73, was undergoing treatment for lung cancer at the Scripps Clinic in La Jolla, Calif.

He was elected general vice president of the 2.3 million member unaffiliated union in 1966 and in 1967 took over the functions of then-president James R. Hoffa. Fitzsimmons was elected president in 1971, and was re-elected in 1976.

Fitzsimmons had been business manager of Local 299 in Detroit, and held offices with the Michigan Conference of Teamsters and Joint Council 43. He was elected vice president of the union in 1961.

The Teamsters executive board is expected to designate an acting president until the union's convention, which opens June 1.

Window Washer Takes On Tall Job

New York—Jim Cook has been doing windows for years in London, but he's long had the ambition to do the ultimate window-cleaning job—on Manhattan's Empire State Building.

The 37-year-old Londoner realized that lofty desire recently when he climbed out on a ledge of the building 86 floors up as an honorary member of Window Cleaners Local 2, an affiliate of the Service Employees.

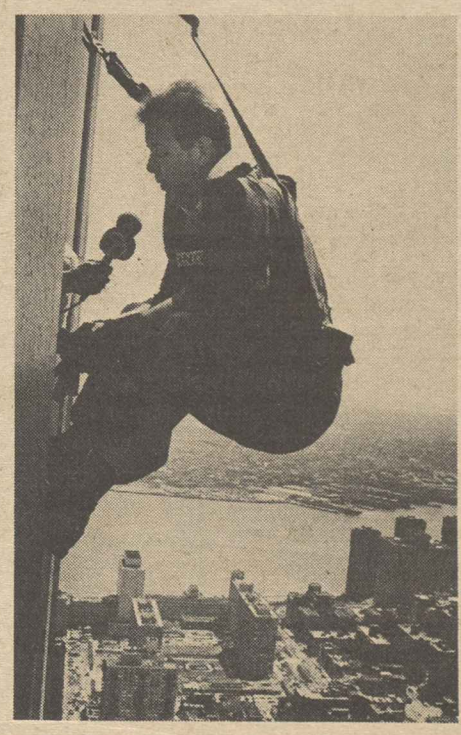
HIS TRIP AND expenses were financed by Smirnoff's vodka distillery as one of seven winners in a promotional "Great Dreams" contest.

Arrangements for the ascent of the 102-story building were made with the help of SEIU President John J. Sweeney and Leonard Nork, president of the window cleaners local. Cook said he didn't want to be a "glamor boy," but preferred to be treated like a regular union worker.

After arrangements were completed for his work permit, workers' compensation insurance and other details, Cook trained alongside union window cleaners "to get the hang of things."

THE CLEANING of Empire State's 6,500 windows is full-time work for a team of union members from Local 2. It takes the team three months to complete the job from top to bottom and start at the 102nd floor again.

Cook, who lives with his wife Janet and their 16-month-old son in the Highbury section of London, said the cleaning job on the Empire State is much like it's done at home, "except that in London we don't have any union and we get paid a lot less."



Interest Hike Puts Squeeze On Economy

(Continued from Page 1)

banks charge their best corporate customers — would probably climb higher, and that the country faces a possible business slowdown this summer and autumn.

Many short-term interest rates surged in the aftermath of the Federal Reserve Board's discount-rate increase. The Treasury Dept. auctioned $3 billion of three-year notes at an average annual yield of 15.81 percent, the highest ever for notes of this term. That was up sharply from the average yield of 13.37 percent for comparable notes sold on Feb. 17.

Meanwhile, an industry official warned that the housing industry is in for worse times because of the higher interest rates.

"IF PRESENT interest rates . . . persist, housing units will plunge below 1 million annualized starts in a few weeks," President Herman Smith of the National Association of Home Builders (NAHB) told reporters. The NAHB lowered its current prediction of housing starts for 1981 to an annual level of 1.2 million.

Two federal agencies cited recent sizable increases in both long-term and short-term interest rates as the reason for raising maximum rates under their government-insured mortgage programs to record levels this week.

The Housing & Urban Development Dept.'s Federal Housing Administration and the Veterans Administration simultaneously announced a full 1 percentage point increase, to 15.5 percent, on level mortgage payments for single-family homes and a similar rise, to 16 percent, on graduated mortgage payments for single-family homes, effective May 8. Maximum allowable rates on other government-insured housing programs also were increased—to as high as 19 percent in some instances.

Political Solution Called Best Hope In North Ireland

Baltimore—The death of Bobby Sands is a "tragic symbol of the senseless but inevitable violence that will continue to plague Northern Ireland until a political solution is reached," the AFL-CIO Executive Council said.

A council resolution deplored the violence and also "the refusal of the British government to deal with the causes of that violence—political, economic and religious discrimination."

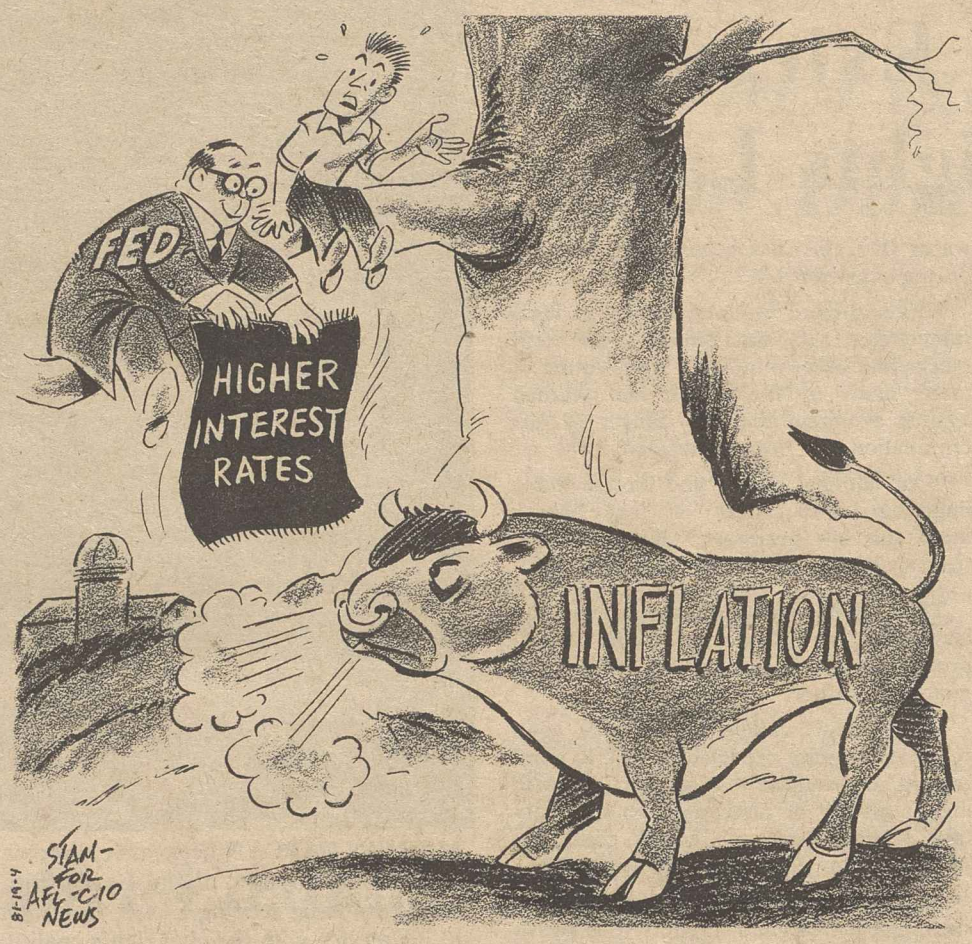
It called on Britain "to begin the process of negotiations with the Republic of Ireland" and to seek to reconcile the Protestant majority in the North "with the reality of the need for a lasting political solution that respects the rights and freedom of all the Irish people."

The resolution asked the United States government to encourage mediation of the dispute so as to help achieve an end to violence.

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'You're No Help!'



IUD Views Targeted Aid As Key to Industry Growth

Philadelphia—A domestic reindustrialization program based on targeted solutions for particular industries is the key to economic recovery, the AFL-CIO Industrial Union Dept.'s executive council declared in a resolution.

Instead, the IUD said, the Reagan Administration program is based on "the 'magic and mirrors' of supply-side economics."

THE RESOLUTION, along with others on plant closings, workplace and community environment, and human rights in the United States, was adopted during a two-day meeting of the IUD council here.

The IUD noted that every other advanced industrialized democracy has a selective, coherent industrial economic policy. "The United States is the lone exception," it said. "Over the past 15 years we have witnessed a steady de-industrialization of the U.S. economy."

In a related resolution, the IUD reiterated the need for legislation to protect workers against the threat of plant closings.

"Such legislation should include a program to reindustrialize American industry, to pursue sound international trade policies, and to remove the tax incentives that foster plant closings decisions by management," the IUD said.

NEW LEGISLATION should specifically provide for protections equivalent to those already enjoyed by workers in other countries, including mandatory advance notice of plant closings, higher levels of income support and for longer periods, for dislocated workers, actions to attract new industries to areas that have lost employment due to plant closings and major layoffs, and rights of union successorship when an operation is closed and then reopened under "new" management, the IUD said.

A third resolution scored Administration attempts to weaken the Occupational Safety & Health Act and the Clean Air Act of 1970, and called for preserving and strengthening them instead.

Reagan budget cuts already have gutted OSHA's standards and enforcement program, the directorship of the National Institute for Occupational Safety & Health has been politicized, and there have been delays, retractions or reinterpretations of OSHA rules according to management dictates, the IUD charged.

BOTH OSHA and the Clean Air Act have powerful standards and enforcement language which, if implemented properly, help to promote the modernization of outmoded operations, it added. The resolution warned against "amendments or administrative actions which weaken environmental and health and safety standards allegedly to meet economic need."

The department also reaffirmed its support of the Equal Rights Amendment to the Constitution, and urged its affiliates to work for its ratification by three more states by June 30, 1982, the time limit for its approval.

The IUD also urged Congress to extend all provisions of the 1965 Voting Rights Act for at least another 10 years, and to amend the law to overcome the weakening effect of a Supreme Court ruling by outlawing practices that have a racially discriminatory effect, as well as those adopted with discriminatory intent.

Union, Contractors Broaden Scope of Masonry Institute

The Bricklayers and the Mason Contractors Association have announced a cooperative effort to strengthen their industry through improved labor-management relations, research, training and promotion.

"Labor and management in the United States are either at or near a dangerous crossroads," Bricklayers President John T. Joyce told a press briefing in Washington.

THE TWO SIDES must move towards cooperation "or disintegrate into an enemies relationship," he added.

Joyce and MCAA President Louis J. Helbert, Jr., discussed the decision of their organizations: an expanded International Masonry Institute.

First formed in 1970, the institute has carried out masonry promotion programs while training was conducted by an apprenticeship trust.

The new IMI will absorb those two programs and be responsible for two new ones: labor-management relations and research and development.

THE LABOR-MANAGEMENT program will be funded directly by MCAA and the Bricklayers. The other three will be funded by collectively bargained contributions for each hour worked by bricklayers in the United States and Canada.

Joyce and Helbert said their organizations have begun a campaign to obtain contributions for the research fund. They said they hoped that in three to five years the contributions would provide the base for a multi-million-dollar-per-year research effort for the industry.

The masonry industry has receipts of about $5 billion annually and directly employs about 500,000 people. All government research now adds up to only about $3.5 million, Joyce and Helbert said.

MCAA HAS about 1,500 member employers—all 100 percent union, Helbert said. The Bricklayers have 135,000 members.

Joyce said the basic problem is that the individual contractors are too small to put sufficient funds into research. He said the industry faces the prospect of relative decline unless it finds ways to cope with technological trends, changing skill levels, competing materials and other problems.

On the labor-management side, he said the institute will explore local binding arbitration, the need for better mediation machinery, impediments to worker mobility nationally, and quality-of-worklife projects.

ASKED WHERE MCAA stands on the current drive by business to repeal the Davis-Bacon Act, Helbert replied: "I cannot see where the repeal of the Davis-Bacon Act would help our association as it exists today."

Joyce said the two groups "are not going to get into any areas that polarize."

Two Harvard University professors will be active in the expanded Masonry Institute. John Dunlop, former Secretary of Labor, will be a public trustee, and D. Quinn Mills, veteran mediator, will chair the labor-management relations program. **(PAI)**

Labor Scores Tariff Relief Plan for China

Preferential tariff treatment for the People's Republic of China would endanger the U.S. economy and the well being of American workers, taxpayers, and consumers, the AFL-CIO told the International Trade Commission.

"At a time of a credit crunch in the United States and 7 percent unemployment, it is particularly unwise to grant special tariff privileges to China so it can develop its industrial might," the federation's research director, Rudy Oswald, said in testimony submitted to the panel.

OSWALD URGED the commission to analyze the impact of preferential tariffs for the communist nation on U.S. industries and American workers, already hurting from a flood of foreign-produced goods into this country.

"An extra tariff benefit will encourage imports in most manufacturing industries, at a time when the United States needs to revitalize its industrial base," Oswald pointed out.

"We do not believe that backdoor subsidization of foreign imports from a communist country is an appropriate form of foreign aid."

WHILE THE AFL-CIO has always believed that the needy should receive appropriate foreign aid, it does not believe that subsidization of foreign imports from a communist country is an appropriate form of foreign aid, Oswald said.

The United States already has begun to experience some of the effects of granting market privileges on an unregulated basis to imports from China, a highly controlled, centrally planned economy, Oswald pointed out. In the textile industry, for example, the sudden in-rush of 100,000 dozen sweaters from the PRC caused concern over possible market disruption.

Adding more imports to the American economy from a closed, non-market society is especially unwise at a time when the federal budget is being restricted to assure that there will be no protection or help to workers displaced in various industries, Oswald summed up.

Food Stamp Slashes Target Strikers' Families

House and Senate committees voted to deny food stamp assistance to any family in which a member of the household is on strike and to slash total spending for the food stamp program below current levels and far below projected needs.

The committee actions signalled the sharp shift to the right in this Congress. A total ban on food stamps for strikers has been a perennial conservative goal, even though relatively few strikers qualify for assistance.

FAMILIES OF strikers have to meet the same means test that is imposed on other low-income households. Strike-related assistance normally accounts for only about two-tenths of 1 percent of food stamp expenditures, although the ratio is somewhat higher now because of the coal mine dispute.

AFL-CIO News

LABOR'S CENTENNIAL AFL-CIO 1881-1981

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In past years, the Senate has regularly defeated proposals to bar food stamps to strikers and their families. But the dominance of the conservative coalition in the new Republican-controlled Senate was demonstrated in a 13-3 vote by the Senate Agriculture Committee for the anti-striker amendment—even though the Administration had not proposed it.

The vote was closer in the House committee—25-16 for the anti-labor restriction.

The House and Senate Agriculture Committees did, however, reject the Administration proposal to deduct the value of free school lunches from a family's food stamp allotment. But they made some other changes that will delay the start of food stamp eligibility for most families seeking assistance.

THE BUDGET request of $10.5 billion for the 1982 fiscal year represents a reduction of $1.8 billion from what would be needed to continue the present program. Changes to tighten eligibility standards are expected to knock about 1 million persons off the program and curtail benefits to many of the remaining 19 million persons in low-income households.

The Reagan Administration admits that

(Continued on Page 3)

Reagan Ax Hits Social Security



OFFICIAL OPENING of the 36th AFL-CIO Union-Industries Show in Baltimore is marked by AFL-CIO President Lane Kirkland and Maryland Gov. Harry Hughes, second from left. Lending a hand at the ribbon cutting are, from left, Maryland & D.C. AFL-CIO President Thomas M. Bradley; Earl D. McDavid, secretary-treasurer of the Union Label & Service Trades Dept. which stages the show; Val Hamer; ULSTD President John E. Mara; and Henry Koellein, president of the Baltimore AFL-CIO. Hamer, 84, a member of the Glass Bottle Blowers and a Baltimore native, was honored for his appearances at every show since 1954. **(Story, Page 2.)**

Kirkland Says Proposals Shatter Dreams of Elderly

By David L. Perlman

Social security benefit cuts demanded by the Reagan Administration would shatter the retirement expectations of millions of workers and AFL-CIO President Lane Kirkland pledged that unions "will do everything we can to prevent their enactment."

To hold down costs, the Administration is asking Congress to reduce benefits for all future retirees and to impose stringent new curbs on disability payments.

BUT THE BIGGEST impact of the Reagan proposals would fall on workers who choose early retirement with a reduced pension at age 62 instead of working until 65 or later.

By the Administration's own calculations, a worker entitled to the maximum social security benefit who retired next January would receive $159 a month less than under present law—$310.50 under the Reagan plan as compared with $469.60.

Other changes in the benefit formula would continue to widen the difference. The Administration projects the maximum benefit for a person retiring at age 62 in 1987 as $325.60 a month less than present law.

KIRKLAND POINTED out that a high percentage of those taking early retirement are persons "who have worked at hard, dirty jobs all their lives and simply are unable to work any longer, largely for health reasons that are not serious enough to qualify for disability benefits."

Ironically, Kirkland noted, the one section of the Administration proposal that would add to costs instead of reducing payments will help "those who least need the protection of social security," persons in relatively well-paying jobs who continue to work after 65.

The Administration proposes to phase out over three years all earnings tests so that those persons would be able to collect full retirement benefits while continuing on the job after 65.

CONSIDERING THE sharp cuts imposed on the most needy social security recipients, Kirkland protested, "that is fiscally irresponsible and morally reprehensible."

Health & Human Services Sec. Richard S. Schweiker told a news conference that benefits must be cut back to keep the social security system "from going broke."

Schweiker held out the hope that the Administration's cutbacks will avoid a social security tax rate increase scheduled for 1985, with a possibility of a payroll tax reduction by 1990—if the economy performs as predicted.

By its choices, the Administration rejected the recommendations of numerous study groups for an injection of general treasury revenues to supplement the social security tax and for less drastic steps to deal with a largely short-term funding crisis stemming from a combination of prolonged high unemployment and high inflation.

(Continued on Page 3)

Reagan Budget Sweeps Through Senate Intact

The Senate approved President Reagan's budget proposals virtually intact, paving the way for follow-through action to curtail or do away with many of the programs the trade union movement has long supported.

Amendments that would have lessened the severity of program cutbacks were repeatedly voted down by a conservative coalition, and the final passage vote was a one-sided 78-20.

The House had approved a similar Reagan-endorsed budget resolution the previous week, and House-Senate conferees quickly agreed on the final terms. The $695.4 billion budget ceiling for outlays is $43.9 billion less than the budget proposed by President Carter before he left office. But because of projected tax cuts, the Reagan deficit is more than $10 billion higher.

In past years, this first budget resolution would be considered merely a target and would be substantially revised closer to the Oct. 1 start of the new fiscal year.

But both the House and Senate have directed their legislative committees to make immediate changes in programs within their jurisdiction so as to accomplish the spending cuts called for in the budget. The committees have flexibility in where to make cuts, but not in the total amounts.

MORE THAN one-third of the budget reductions voted by Congress will come from income-support programs for those below or just above the poverty line.

Unemployment insurance and trade adjustment assistance would be reduced despite the Administration's forecast of continued high unemployment. Job training and public employment opportunities for those out of work and out of school would be drastically curtailed.

Less money would be made available for job safety and occupational health, for enforcement of the wage-hour and Davis-Bacon Acts, for housing, transportation and veterans services.

(Continued on Page 8)

Prime Lending Rate Notched Up to 19.5%

The squeeze on money tightened further this week as most major banks in the country raised their prime lending rate from 19 percent to 19.5. The banks cited increased costs of obtaining lendable funds and a surge in loan demand.

The increase, the fourth in about a month, was initiated by Chase Manhattan Bank of New York. All the 20 other largest banks posted similar increases soon after. Many economists expect an even higher prime rate to follow.

The prime is the base lending rate on corporate loans, which influences other interest rates and thus pushes up the cost of housing, autos and other goods. It reached a record 21.5 percent shortly before last Christmas and fell to 17 percent by Apr. 1. The rate began climbing again on Apr. 10.

Unemployment Rate Sticks At 7.3% for Third Month

The unemployment rate for the nation remained at 7.3 percent in April for the third month in a row as the growth in jobs and in the size of the labor force closely approximated each other, the Bureau of Labor Statistics reported.

The labor force increased by 545,000 to 106,722,000 over the month, with gains registered by all three major worker groups—men, women, and teenagers. Total employment grew by 564,000 to 98,976,000.

BOTH THE unemployment rate and the number of unemployed workers, 7.7 million, have remained relatively steady since last December, BLS noted.

Among major worker groups, the biggest change over the month occurred among Americans of Hispanic origin. Their jobless rate dropped 1.6 percent to 9.1 percent in April. The rate for black workers fell five-tenths of 1 percent to 13.2 percent while the rates for all other categories remained unchanged or dipped only slightly.

Eight of the 10 most populous states showed a decline in the unemployment rate in April, with New Jersey's down to 7.9 percent from 8.6 percent in March. In New York and Pennsylvania, unemployment was up over the month, rising two-tenths of 1 percent to 8.4 percent in the former and one-tenth of 1 point to 7.3 percent in the latter.

Nonfarm payroll employment was 91.5 million in April, down 220,000 from March, after seasonal adjustment. Most of the decline, however, was attributed to the coal miners' strike.

CONSTRUCTION JOBS declined by 80,000, but were still 100,000 above last July's recession low. Manufacturing employment edged up over the month.

BLS also reported that the average workweek for production workers was unchanged from March at 35.3 hours.

Key Gains Set In Furniture Workers Pact

Sumter, S.C.—Some 1,000 workers at Georgia-Pacific's furniture plant here gained significant wage and fringe-benefit improvements in a new contract negotiated by their union.

The pact raises hourly pay by a range of $1.37 to $1.65, depending on job skill, over a three-year period, Furniture Workers President Carl Scarbrough reported. Scarbrough, who directed negotiations, said that the vacation schedule also was liberalized, and insurance and pension benefits improved.

ONE OF THE deepest causes of worker resentment — restroom facilities — was solved by the negotiations. The restrooms were in shocking conditions, and allowed almost no privacy, Scarbrough said. Furthermore, the company required workers to ask permission to use them.

"That will no longer happen," he said. Under the new contract, workers will not have to ask permission, and the company has agreed to renovate the facilities.

"With this contract, there's a new feeling among the Georgia-Pacific workers," said UFWA Southern Vice President Willie Rudd, who assisted the plant bargaining committee. "It marks the end of an era of poverty wages and poor working conditions. It's the beginning of a time of dignity, decent wages, and greatly improved conditions on the job."

UNDER THE OLD contract, workers' pay averaged $3.35 to $4.68 an hour. The new contract reduces the number of years required for a three-week vacation from 18 to 15. Accident and sickness insurance benefits rise from $65 to $80 a week in the first year of the agreement, to $90 a week in the second year, and $100 in the third year.

The campaign for a just contract settlement at Georgia-Pacific's Sumter plant was highlighted by a march and rally attended by thousands. Speakers included Rev. Joseph E. Lowery, president of the Southern Christian Leadership Conference; Dr. Martin Luther King, Jr.'s son, Dexter, and South Carolina civil rights leader Modjeska Simpkins.

The rally and bargaining effort had wide support from the labor movement and included participants from the Carpenters, Woodworkers, the South Carolina AFL-CIO, the AFL-CIO Union Label & Service Trades Dept. and the Industrial Union Dept., and UFWA locals from as far away as Memphis, Tenn.



MASS RALLY by fellow trade unionists helped members of Furniture Workers Local 273 win a fair contract settlement at the Georgia-Pacific plant in Sumter, S.C. Representatives of the Woodworkers, Carpenters, South Carolina AFL-CIO and UFWA members from other areas, including Local 282 of Memphis, Tenn., joined in the demonstrations.

Interest Rates Boosted On U.S. Savings Bonds

The Treasury Dept. has increased the interest rate on U.S. Series EE savings bonds from 8 to 9 percent, compounded semiannually, when the bonds are held to maturity. The term to maturity was shortened from 9 to 8 years.

Also, interest on Series HH savings bonds was raised from 7.5 to 8.5 percent, with maturity remaining unchanged at 10 years. The interest rate increases took effect on May 1.

AFL-CIO Deplores Attack on the Pope

Terrorism and violence victimize "not only those who stand in the line of fire; civilization itself suffers irreparable wounds," AFL-CIO President Lane Kirkland and Sec.-Treas. Thomas R. Donahue said in a statement deploring the attempted assassination of Pope John Paul II in Rome.

The world Catholic leader is "a good and decent man whose sole cause is the cause of peace," the federation's officers said, calling for prayers for his recovery.

"The Pope is more than the principal figure of a great religion; he is a symbol of peace and international good will as well as a strong advocate of worker rights," the statement emphasized.

Union Label Show Draws 200,000, Puts Spotlight on Labor Centennial

By Susan Dunlop

Baltimore—A special emphasis on the centennial of the organized labor movement was the highlight of the 36th AFL-CIO Union-Industries Show which opened at the Convention Center here May 8 for a six-day run.

Nearly 200,000 visitors from the Baltimore area attended the show to see a colorful and informative exhibition of the skills, services and products of American union members and their employers.

AFL-CIO PRESIDENT Lane Kirkland officially opened the show at ceremonies which drew local and state trade union leaders and included members of the AFL-CIO Executive Council which met in Baltimore prior to the show.

Kirkland called the show a demonstration of labor's "confidence in the importance of the collective bargaining system and also in the strength of American industry."

Stressing that "in a climate of mutual respect, labor, industry and government can work together to make our economy work," Kirkland said the show tells "the best side" of the story of American industrial relations.

THE PARTNERSHIP of labor and industry pays off for both sides, he emphasized, calling that partnership "a tribute to the give and take of the collective bargaining process as a mature, common sense means of forging agreement out of differences."

Maryland Gov. Harry Hughes called the good relations that exist in the state between government and organized labor "one of the primary factors in our favor with which we can interest industry in investing in Maryland."

Baltimore Labor Commissioner Jeffrey Austin, representing Mayor William Schaefer, extended the city's official welcome to the show on its first return engagement in Baltimore since 1966.

AUSTIN ALSO read a proclamation from the mayor declaring May 10 "Val Hamer Day" in the city. Hamer, 84, is a native of Baltimore and a veteran hand glass blower who has appeared in the Glass Bottle Blowers' colorful demonstration in every Union-Industries Show since 1954. Hamer began working in a Baltimore glass factory at the age of 13 and was a glass blower and glass maker until his retirement in 1963. The Baltimore show will be his last appearance in the union's exhibit.

The doors to the show, which is produced and managed by the AFL-CIO Union Label & Service Trades Dept., swung open on more than 300 exhibits and demonstrations staged by AFL-CIO unions and their employers. An estimated $100,000 in prizes and free samples were given away to show visitors.

The AFL-CIO's own exhibit, prepared with the cooperation of the Baltimore Industrial Museum, focused on the centennial theme. In a display of "The Way We Worked," the development of industry and labor in Baltimore was traced in a display that featured art and artifacts from the city's port, mills and factories.

IN EXHIBITS designed to educate the public as well as entertain, unions including the Machinists, the International Brotherhood of Electrical Workers and the Allied Industrial Workers displayed the broad range of the products they make and the services they perform.

Highlights of every Union-Industries Show are the live craft and skill demonstrations, and union members from the divisions of the Food & Commercial Workers drew crowds to watch them at work and to win union-made food products from union stores as prizes.

The Bakery, Confectionery & Tobacco Workers exhibit featured two of Baltimore's most expert cake decorators, and visitors to the Graphic Arts exhibit could watch their souvenir, a sketch saluting organized labor's support of the Boy Scouts of America, being printed while they waited.

Men's, women's and children's clothing —and the union labels they carry—were the focus of new and enlarged exhibits prepared by the Ladies' Garment Workers and the Clothing & Textile Workers. The importance of the union label was highlighted at the Allied Printing Trades booth which featured a touch of labor history in its giveaway—old-fashioned pressman's caps made of newsprint.

AN IMPORTANT element of the show is the opportunity it gives unions to remind the public of labor's interest and involvement in community, economic and social issues. The AFL-CIO's two newest affiliates took this approach, with the Professional Athletes promoting their "Unions for Youth" summer athletic camps and the International Union of Police Associations urging participation in the national "Crime Stoppers" prevention program.

The Seafarers booth explained the work of their acclaimed Harry Lundeberg School at Piney Point, Md.

A new exhibit from the Operating Engineers combined information on apprenticeship and training with background on the union's community service programs. AFL-CIO railroad unions, including the Railway Clerks, the Carmen, the Signalmen and the Maintenance of Way Employees, asked show visitors to "ride the train" while explalining their jobs and skills in the industry.

IN ADDITION to a wide-ranging display of the many products their members make, the Steelworkers exhibit focused attention on the union's civil rights, senior citizens and workers' rights programs.

Other exhibitors also used their exhibits as a showcase for the many benefits of union membership, among them the Oil, Chemical & Atomic Workers and the Molders. A "wheel of fortune" operated by the Cement, Lime & Gypsum Workers, featuring union-won benefits as "winning numbers," helped the union give away prizes to visitors while urging them to join and support unions.

Important trade union issues were emphasized at the Air Line Pilots exhibit where members asked show visitors not to patronize the union-busting New York Air service. At the Government Employees' booth, Baltimore citizens had the opportunity to send post cards to Congress urging retention of the separate retirement program for federal workers.

WHILE SOME of Baltimore's best union musicians entertained, show visitors enjoyed the Chemical Workers' live "magic of chemistry" demonstration or had a portrait made by the Painters' caricaturist who explained the union's various skills as he worked.

Unions that combined a rare up-close look at their members' work and special skills with information on training and apprenticeship included the Laborers, Carpenters, Sheet Metal Workers and Plasterers.

Hands-on experience was the highlight of the Postal Workers and Letter Carriers booth, which included a working post office and a special cancel for letters mailed from the show. At the Bricklayers' exhibit, visitors could try their hands at the art of wall-building.

SHOW VISITORS were taken behind-the scenes of live theater and motion picture projection both past and present at the Theatrical Stage Employees exhibit, and they enjoyed a look at modern-day television broadcasting at the see-yourself-on-TV demonstrations of the Broadcast Employees.

Emphasizing the fact that consumers can find a union label on a wide variety of products were colorful displays by the Insurance Workers, Furniture Workers, Brick & Clay Workers and Distillery Workers.

A unique look at their complex jobs was provided by union members such as the Communications Workers and the Fire Fighters, while the Plumbers & Pipefitters staged a large display that peeled away stages of the construction jobs members work on to emphasize the importance of using trained union labor at each level to be sure the job is done right the first time.

A CENTRAL function of the Union-Industries Show is to explain to the public that union members are involved in all phases of the industrial and service economy. The exhibits of unions such as the Aluminum Workers, the Upholsterers and the Flint Glass Workers showcase the many products union members make for use in the home.

At the Service Employees booth, visitors could have their blood pressure checked while learning about the union's organizing activities in service industries from health care to office work, while exhibits like those of the Firemen & Oilers and the Boilermakers explained union members' jobs in heavy industry.

The Paperworkers combined their display of the world's smallest working papermaking machine with a series of prize drawings for sacks of products made by their members.

Reagan's Social Security Scheme Seen Shattering Hopes of Elderly

(Continued from Page 1)

Instead, the Administration proposed:

- A two-way reduction in benefits for persons retiring at 62. The early retirement formula is now 80 percent of what a worker would receive if retiring at age 65. The Reagan proposal is to reduce this to 55 percent of normal retirement. And the amount would be further reduced by injecting three years of no earnings into the wage calculation on which the benefits are based.

- Changing the formula that relates benefits to average wages so that in future years persons retiring at any age would receive less than under present law.

BASED ON Administration wage projections, a person retiring in 1987 at age 65 who was entitled to the maximum benefit would receive $82.50 less each month than under present law.

- Limiting eligibility for disability benefits to persons completely unable to work for medical reasons, and whose anticipated period of disability is at least two years.

Present law requires only a one-year prognosis of disability and also allows consideration of age and experience, as well as medical incapacity, in determining eligibility. The Administration said "more than one-third of disability cases age 60 to 65 involve non-medical factors." Thus, many fewer older workers would qualify for disability benefits in the future. This is, of course, the same age group so heavily penalized by the reduction in early retirement benefits.

- Further restricting disability payments by increasing the waiting period for benefits from five months to six months, requiring a prior history of employment for 30 of the past 40 quarters, instead of 20, and tightening ceilings on maximum family benefits.

- Restricting, in a manner not yet spelled out, the social security benefit that can be earned by a worker who gets a private-sector job after retiring from public employment covered by a civil service retirement plan.

- Postponing for all persons on the social security rolls, not just those who retire after the law is changed, the date of the annual cost-of-living benefit adjustment. In 1982 and thereafter, benefits would be adjusted on Oct. 1 instead of July 1.

SCHWEIKER acknowledged under questioning that this appeared to contradict President Reagan's campaign pledge not to tamper with the cost-of living provisions of the law, but suggested that it was little more than a housekeeping adjustment to the fiscal year the government now uses.

Kirkland commented that recipients of social security benefit checks have already had their payments eroded by inflation and shouldn't have to wait an additional three months for their adjustments.

Among other "savings" proposed by the Administration are subjecting sick pay—now mostly exempt—to the social security tax and eliminating any children's benefits for families of persons retiring before 65.

THE PROPOSED change in the earnings test, which would add about $7 billion to the cost of the program over five years, would allow earnings up to $10,000 before a reduction in benefits in 1983, $15,000 in 1984, $20,000 in 1985 and no limit thereafter.

Present law allows up to $5,500 this year, with no limit after age 71 and next year is scheduled to allow $6,000 in earnings before deductions, with no limit after age 69.

Kirkland noted that these proposals are in addition to cutbacks proposed earlier in President's Reagan's budget, including reduction in student benefits and elimination of the minimum benefit.

TOGETHER, he said, they constitute "the most severe reductions in social security protection ever suggested" by an Administration.

National Council of Senior Citizens President Jacob Clayman said Administration proposals amount to a "frontal attack" on the social security system and could lead to its ultimate destruction.

Clayman stressed that social security is the principal source of income for most retirees. The proposed cuts would be especially "devastating," he said, to persons forced to take an early retirement because of poor health or unemployment.

The AFL-CIO Executive Council last February urged the concept of general revenue financing to supplement—but not replace—the existing payroll tax.

"Workers must not be denied the benefits they have worked for and paid for during their working lives," the council stressed. "The government must keep its word," and changing the terms "would constitute a breach of faith that would undermine public confidence in social security."

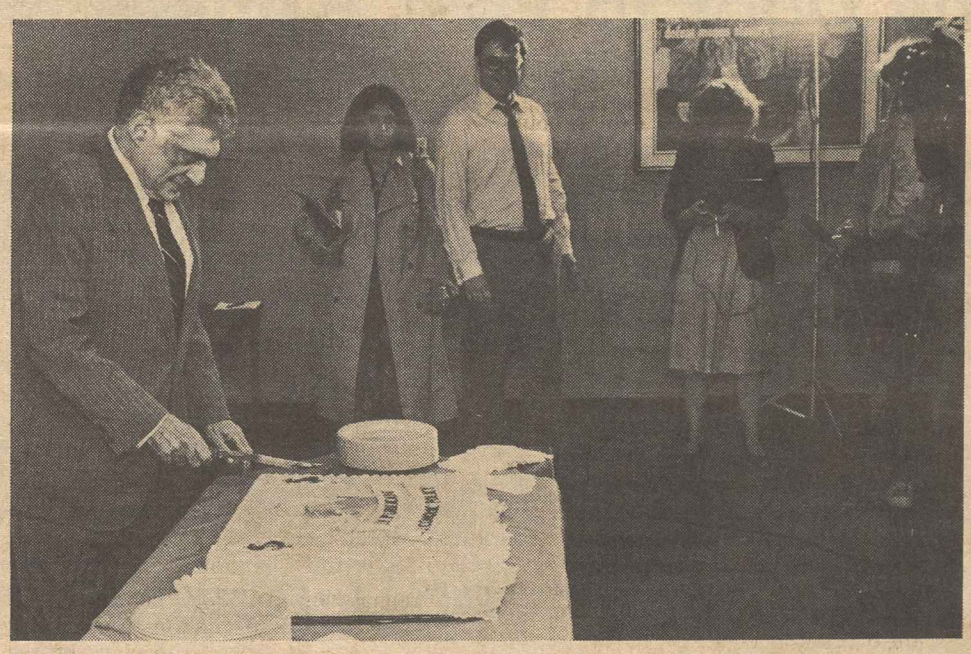
Social Security Benefits Compared

Earnings Category	Present Law	Reagan Proposal
Retirement in 1/82 at age 62		
Low	$247.60	$163.90
Average	372.80	246.80
Maximum	469.60	310.50
Retirement in 1/82 at age 65		
Low	$355.30	$355.30
Average	535.40	535.40
Maximum	679.30	679.30
Retirement in 1/87 at age 62		
Low	$384.40	$225.20
Average	580.70	348.30
Maximum	755.60	430.00
Retirement in 1/87 at age 65		
Low	$477.10	$477.40
Average	719.00	691.90
Maximum	942.80	860.30

Proposed benefits include the effect of a 55% benefit rate (instead of 80%) for retirement at age 62. Calculation of initial benefits in 1982-87 includes 50% of wage inflation factor; formula would revert to 100 percent in 1988 but initial benefits then and later would remain lower than if current law (with 100 percent factor) remained in effect.

Low earnings are defined as the federal minimum wage, average earnings as the average wage subject to social security payroll tax, and maximum earnings as those at or above the maximum subject to the payroll tax.

Benefit amounts are for worker only, who is assumed to reach the exact age shown in January. Other assumptions are that the worker entered covered employment in 1956 and worked steadily thereafter and that future earnings for retirement in January 1987 follow trend under intermediate assumptions in the 1980 Trustees Report.



TV CAMPAIGN CENTERPIECE—a large cake representing the Reagan Administration's economic scheme—is cut up by President Jerry Wurf of the State, County & Municipal Employees. AFSCME is running a nationwide media effort to point up the inequities of "Reaganomics."

State-County Ad Campaign Slices Up Reagan Economics

The State, County & Municipal Employees is mounting a counter-offensive against Republican and industry promotions of the Reagan economic policies, AFSCME President Jerry Wurf announced.

AFSCME recently aired a series of hard-hitting television advertisements blasting the glaring injustice of President Reagan's budget and tax-slashing program. It's a part of a $1 million media effort by the union that also includes newspaper and radio ads.

AFSCME said the purpose of its nationwide ad campaign is to take the union's message directly to the American people, urging them to contact their senators and representatives regarding the unfairness of the Reagan program.

"Our ads point out that vital government services like school lunches, Medicaid, mass transit and social security will be cut back sharply if Reagan's plan gets final approval," Wurf said.

"The ads show how unfair and unequally distributed Reagan's tax cuts would be," Wurf added.

The "star" of the 60-second TV spot is a giant cake featuring the words, "Republican Economic Policy." The ad shows the wealthy getting large chunks of cake, while workers and the poor end up with only tiny slices.

The TV ad originally appeared on five Washington and New York stations, but four network-owned stations in the two cities refused to air the ad. All TV stations in two other cities—Albany and Des Moines—have also rejected it. The stations' main objection, their executives say, is that the spots are "advocacy ads," and it's against station policy to run them.

Other major markets where AFSCME's television ads have appeared are Boston, Dayton, Chicago, Seattle, Pittsburgh, St. Louis, Philadelphia, Milwaukee and Hartford.

AFL-CIO Protests Cutbacks In Federal Energy Programs

The Administration's proposals to cut back or dismantle some energy programs would undermine efforts to provide a sound energy policy, the AFL-CIO warned.

In a statement submitted to the Energy Dept., Federation President Lane Kirkland urged the Administration instead to expand and improve existing energy programs.

PRESIDENT REAGAN'S plan to reduce programs that encourage the development of new energy sources, energy conservation and energy efficiency standards along with decontrol of energy prices "makes the Administration appear to be abandoning a cogent, carefully developed national energy program in favor of outmoded theories that will give high profits to oil companies and hardship to the American people," Kirkland said.

Energy research and development programs outside the nuclear area and conservation programs would be cut back sharply by the Administration. The cuts would seriously retard U.S. efforts to achieve energy independence and eliminate more than 118,000 jobs needed to make these programs work, Kirkland observed.

Specific cutbacks include severe curtailment of the low-income energy assistance program. The Administration would fold this program in with several others and reduce total funding by about 27 percent. The program was funded at $1,850 million in 1981. The program helps needy families and elderly persons pay their heating bills, using a portion of the windfall profits tax to alleviate the inflationary impact of oil deregulation.

OTHER ADMINISTRATION proposals would cut $442 million, or 59 percent, from energy conservation programs; $789 million in fiscal 1982 from synthetic fuels subsidies; one-fourth, or $196 million, for other energy supply programs, including significant reductions in funds for research and development for geothermal, hydropower, electric energy systems and energy storage systems; one-half, or $321 million, of outlays for research and development in fossil fuels, and 69 percent, or $380 million, in solar research, development, and demonstration projects.

Kirkland stressed that an effective energy policy is a necessary basis for a healthy economy with low unemployment and reduced inflation. The nation has made great progress in constructing an energy policy to enable it to meet those goals, he noted, but many shortcomings remain in U.S. energy policy.

THERE IS A need for a government oil import authority to act as the sole importer of oil to enable the United States to deal with the Arab oil cartel as an equal, he said.

He called also for expansion of energy conservation programs, especially the weatherization of schools, hospitals, public buildings and low-income housing. And requirements are needed to ensure that vital equipment for U.S. energy facilities is made in the United States rather than imported, he added.

Food Stamp Slashes Hit Strikers' Families

(Continued from Page 1)

the cutbacks it is making in other programs will add to the number of people eligible for food stamps. But it says that the added costs would come to "only" $250 million next year while the Congressional Budget Office estimate is close to $1.5 billion.

In either case, the money won't be there under the House and Senate committee bills. Last year, when unexpectedly high unemployment and inflation pushed up food stamp costs, the Carter Administration sought and Congress voted additional funds.

But the Reagan Administration has said that it won't ask for more money when the spending ceiling is reached. Under present law, the Agriculture Dept. can cut back benefits to avoid depletion of funds.

Misreading the Mandate

THE NATIONAL CHARACTER of America includes a deep commitment to human rights, and to helping the needy, sharing our wealth with the deprived, the weak and the helpless. The ability and the eagerness to extend a strong helping hand is a mark of self-confident, independent character.

The Administration is misreading the American people if it assumes that the last election signaled a change in that basic trait.

What it did signify was a desire for action born out of deep frustration with the seemingly insurmountable problems of high inflation, virtual energy bondage, eroding job opportunities, crippling interest rates, decaying cities—and with a government which appeared powerless to provide remedies.

THE AMERICAN PEOPLE voted a call for action, but nowhere in that call did they express the desire to see decades of social progress wiped out.

In fact, Mr. Reagan never asked us to make that choice. Never during the election were the Reagan-Stockman budget cuts put on the block for the electorate to examine, debate and ultimately reject or accept.

The budget-cutting mania will translate into the loss of over one million jobs—a curious position for an Administration which campaigned on a return to the work ethic and an end to high unemployment.

The Reagan tax cut will hand more than 60 percent of the largess to the richest 20 percent of taxpayers and a most healthy slice of that to the top 1 percent—odd for an Administration which asked for votes on the promise of relief for the hard-pressed, middle-income American worker.

THE CRY for regulatory reform extends only to the weakening of laws protecting health and job safety, the environment and consumers, laws which the majority of Americans would like to see strengthened—hard to square with an Administration which purports to represent the prevalent points of view in our society.

The majority of voters did not go to the polls to ask for a slash in the social security benefit, or a crackdown on aids to education, or radical surgery on health care programs, or taking the food off the tables of poor families.

The Reagan philosophy and its policies, if extended to their logical conclusions, call for a basic lowering of the standard of living and of the hopes and expectations of the average American working person.

HOW ELSE can one interpret a philosophy that is designed, for example, to do everything it can to force the unemployed, regardless of their skills and experience, to accept the first available low-wage job or lose the wherewithal to feed their families?

How else can one understand wholesale attacks on such vital job health and safety standards as those developed for cotton dust, toxic chemicals or lead, except in terms of a philosophy that believes it is the workers' place to be at the mercy of the all-powerful employer regardless of the personal price they must pay?

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For Unscrupulous Employers

Revival of Industrial Homework Opens Door to Past Abuses

By Gus Tyler

LABOR SEC. Raymond J. Donovan wants to legalize industrial homework, a practice that was outlawed in this country some 40 years ago.

The law was passed at that time because "homework" was wrecking major portions of American industry. Legitimate employers could not survive in competition with unscrupulous employers who were having their work done in the homes of workers.

An employer using homeworkers does not have to provide space, machines, nor sanitary facilities: a big competitive edge.

He does not have to pay the legal minimum wage because without check-in and check-out records there is no way to know how much a worker makes per hour. Hence, there can be no overtime pay nor enforcement of a 40- or even an 80-hour workweek.

CHILD LABOR can be used indiscriminately. Since there is no account of who is working on the stuff at home, many of the workers—if not most—will go uncovered by social security, workers' compensation, and unemployment insurance.

In short, an employer using homeworkers can live by the law of the lawless, imposing his bestial standards on the industrial jungle of his own making.

This primitive practice can not be applied in all industry. Autos, battleships, steel ingots, and barrels of refined oil can not be turned out in homes. But apparel can, because both the fabric and the finished goods are portable and can be turned out on a simple sewing machine.

The circumstance applying to garment factories also applies to junk jewelry, handkerchiefs, knitwear, and hundreds of other occupations where no heavy machinery is involved.

Because homework can devastate such industries where several million workers are employed, America outlawed this destructive device almost half a century ago.

IN HIS PUSH to restore this primitive practice, Donovan explains that it will "open up job opportunities."

Indeed, it would. Women (and it will be mostly women) and their children, working at home, will find more employment. But for every one of the garments issuing from that "home" and sold in the market there will be one less garment sold that was manufactured in a legitimate factory.

So employment would shift to homeworkers who labor under conditions recalling the darkest ages of industrial inhumanity while unemployment (and bankruptcy) would stalk those factories that are operating under circumstances befitting modern times.

IN THE PROCESS, not a single new job would be created. Unemployment would be redistributed from better paying to poorer paying posts, from humane sites to inhuman pits. Bad jobs would drive out good jobs as a Dickensian darkness would descend upon sectors of our economy that, after a hundred years of sweat and struggle, rebellion and reform, finally managed to bring a few rays of sunshine into the workplace.

Commenting on Donovan's proposal to return to the pestilence of the past, one wag suggests that the Cabinet member change his title to Secretary of Anti-Labor.

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Standing Up to Tactics Of Fear and Innuendo

The National Conservative Political Action Committee has declared war on a lot more than liberal politicians who are friends of labor.

It is leveling a body blow to the concept of an all-inclusive electorate making a reasoned, democratic decision.

The weapon is fear, innuendo, the half-truth.

We will use honorable measures to respond to this attack.

We will register our members. We'll inform them of the issues, the record and the candidates.

We will make our political contributions openly, so there's no mistake that we stand with our friends.

—AFL-CIO Sec.-Treas. Thomas R. Donahue at COPE dinner honoring Sen. Paul S. Sarbanes, Baltimore, May 7, 1981.

For Basic Rights

Similarities Noted in Struggle Of Polish Labor, U. S. Blacks

By Bayard Rustin

RECENTLY I returned from Poland where I was invited to lecture by a regional section of Solidarity, the independent trade union movement.

What was most striking about that country was the sense of openness and frankness which was everywhere evident. Even people whom I did not know (cab drivers and waiters, for example) spoke openly and frankly about the problems their society faces. Criticism was openly voiced, and the bulk of that criticism was directed at the Polish government and at the Soviet Union.

Among Poles there is of course the sober realization that their country faces serious economic problems and there is the awareness of the threat of Soviet invasion. Yet there is also a spirit of quiet optimism among the people. Above all there is the absence of fear.

POLES ARE AWARE that they are implementing a wide-ranging social trasformation of their society and they are going about it an orderly fashion. The effects of this social transformation are no less than revolutionary.

The driving force behind the move to democratize that totalitarian country is the 10-million strong Solidarity trade union movement. Solidarity is guided by a profound respect for the principle of disciplined nonviolence. Indeed, throughout the ten months of labor unrest there has not been a single act of violence committed by the Solidarity movement.

Despite countless provocations, Solidarity's responsible leadership has succeeded in developing a movement that is restrained and disciplined. Moreover, it is a movement that is united by four guiding principles: Christianity, democracy, socialism and equality.

AS SOLIDARITY Chairman Lech Walesa indicated to me, the union does not wish to assume primary responsibility for Poland's economic affairs. The union would prefer to maintain the traditional separation between management and labor. Solidarity's attitude toward economic matters is perhaps best summarized in one of the union's mottoes: "Nothing about us without us."

Solidarity's activities clearly are not limited to those of trade unions as we know them in the United States. As Walesa told me, "Only one-fifth of what we do is of a trade union nature." The union's remaining activities center on such questions as eliminating the vestiges of censorship, winning access to radio and television, safeguarding the independence of educational institutions, and defending unjustly political activists.

What is particularly striking about the Polish Solidarity movement is its many similarities with the American civil rights movement of the 1950s and 1960s. In both movements dignity is a constant and all-pervasive theme. Both movements had strong religious roots. The American civil rights movement, like the Polish movement, was built upon a foundation of nondiscrimination and tolerance. And both movements have deeply rooted traditions of nonviolence.

NOR IS THIS comparison merely superficial. A number of Poles I spoke with mentioned how inspiring the televising of Roots was. "It told us that you have to struggle to win your dignity," one worker told me. Others mentioned having seen films on the life of Dr. Martin Luther King, Jr. "They were almost like an instruction manual on how to build a movement," one Solidarity activist suggested.

Clearly the dream of a free and just society is universal. It has lived and flowered in Selma and Montgomery. Today it lives and thrives among the workers of Poland. It can never be silenced by guns or tanks, for man's will to freedom can never be fully suppressed. It is this will to freedom that unites us in the West with those who are in the East.

THE POLISH people are transforming and humanizing their society. Only the possibility of Soviet invasion looms as an obstacle to their progress. For this reason, it is incumbent on the democratic countries of Western Europe and North America to exert coordinated pressure upon the USSR to prevent the tragedy that would follow a Soviet invasion.

Western firmness in the face of Soviet aggressiveness throughout the world is one of the most important factors in safeguarding the promise of Solidarity. And Solidarity's continued existence is one of mankind's greatest hopes for lasting peace.

All Government Levels

Heavy Public Employee Losses Foreseen Under Reagan Plan

PUBLIC EMPLOYEES will suffer a double blow from President Reagan's budget: loss of jobs at various government levels and reduction of public services, Executive Director John F. Leyden of the AFL-CIO Public Employee Dept. declared.

Leyden said the ripple effects of the cutbacks that will erase more than 1.2 million jobs from the economy will eliminate some 40,000 jobs at the federal level alone. He said the "dramatic impact" of the job losses bears out the description of the Reagan budget as "the most costly roll of the dice that has ever been proposed by the economic policy-makers of this country."

IF THE PROGRAMS and services are not restored, there are likely to be reductions in force "of a magnitude never before experienced" among public employees, he asserted on the network radio interview, Labor News Conference.

Leyden predicted that as the reduction of essential services performed by teachers, fire fighters, postal workers and police, other public employees affects the local level, public support for the budget cuts will fall off.

"I think people will rebel," Leyden said. "I think that when they see that services that they expect to be continued are terminated, when they see a number of people who were working or had productive jobs displaced, they're going to go to their congressmen and their senators any say, 'enough; the program hasn't worked, and it's time that we tried something else.' "

He pointed to the turnaround in Massachusetts, where voters supported Proposition 2½, which covered real estate taxes, but are now growingly alarmed as they face a reduction of the quality and level of public services that "they didn't anticipate when they voted for the measure."

"Initially, people will support a cut, as they did in Massachusetts, when there was a proposed cut of real estate taxes," Leyden observed. "The services that are lost as a result of those cuts will be similar to what we're going to find to be the case when the federal budget cuts take place. Massachusetts lost fire service, police service, and other services that the public came to expect. . . .

"I think it's going to take six to eight months, if these cuts go through, for the rest of this country to understand the full significance—the magnitude —of the cuts and the services that they're going to lose as a result of the cuts," he said.

LEYDEN SAID organized labor is trying to restore some of the budget cuts. One measure before Congress would save some 200,000 jobs.

"We're not satisfied that we can't restore more but, being realistic, we'll take that as a starting point and work from there to restore some of the other jobs," he said.

Leyden was questioned on the AFL-CIO produced public affairs program by Michael Arian of Government Employee Relations Report, a publication of the Bureau of National Affairs, and Alan Adams of Employment Relations Report.

Washington Window

By Press Associates, Inc.

FOR MANY BROWN LUNG victims, who traveled to Washington to protest the Reagan Administration's decision to stall cotton dust standards, the long bus ride from their homes in the Carolinas, Alabama and other textile states was especially arduous.

These men and women have been affilicted with the disease called byssinosis, or brown lung, which has incapacitated or killed some 35,000 textile workers in this country. For these people, even routine chores often are too difficult because of the years and decades in dusty mills which robbed them of most of their ability to breathe.

But they came to Washington not for themselves but for all those who still must toil inside unhealthy cotton mills.

Here are some of their stories:

● **FRANK COX,** 61, had to quit work at the J. P. Stevens mills in Spartanburg, S.C., three years ago because of what he came to know as brown lung.

"I'd go to my job on Monday and I could hardly stand up. I could hardly breathe. It was like having a plastic bag over my head," said Cox.

"We didn't know what caused it until it was too late. We like to work in the mill. We love our jobs. But we were just disabled.

"I had always been healthy. I haven't smoked in 27 years. I went through World War II. Then I worked in the dust for 31 years. That's what did it."

● **BLAN KILPATRICK,** 71, left the mills in 1972 because of her disability. It was only two years ago that doctors properly diagnosed her ailment as brown lung.

Kilpatrick worked for 35 years for Cannon mills in the company town of Kannapolis, N.C. Her bosses and company doctors "never told me I was getting sick even after they knew it. I saw people die from it (byssinosis) before they even knew what it was."

Kilpatrick, who is active in the Carolina Brown Lung Association, regrets that she was never able to join a union in her tightly controlled company town. Nevertheless, she's helping the Clothing & Textile Workers in a local organizing drive.

"If they get rid of the cotton dust standard," said Kilpatrick, "they will continue using workers and throwing them away like trash. We're here to tell Reagan and Donovan and Auchter that we're not trash."

● **MOSES WEST,** 63, worked in the Stevens mills in Roanoke Rapids, N.C., for 42 years before his growing disability forced him to retire in 1979. "The doctors told me to stop in 1970. I finally had to give it up. It got too hard."

West said he needed to keep working to put his three children through college. He's now living on his social security retirement benefits. So far he has been turned down for social security disability and workers' compensation benefits.

To get these benefits, said West, "you have to be almost dead. They don't believe what the doctors say."

● **VELMA BRANTLEY,** 52, from Spartanburg, S.C., had to leave the mill in 1976 after working there for 25 years. It took her two years to get social security disability benefits.

But it wasn't until January of this year that she was diagnosed as having brown lung. "The doctors told me I had chronic bronchitis and emphysema."

"At the time I came out of the mill, they didn't even have breathing tests," said Brantley. She added that she never was given even the slim protection of a face mask.

"Today," she said, "we have made people know we're going to fight for what's right. Generations to come can say, 'our grandmothers and grandfathers fought for us.' "



DOUBLE BLOW of job losses at all government levels and reduction of public services will fall on public employees as a result of President Reagan's budget, Executive Director John F. Leyden, center, of the AFL-CIO Public Employee Dept. declared on Labor News Conference. He was questioned by Alan Adams, left, of Employment Relations Report and Michael Arian of the Bureau of National Affairs. The AFL-CIO produced public affairs interview is aired weekly on Mutual radio.

Key House Rollcalls on Budget Slash

The House rejected the labor-endorsed budget resolution, which was introduced by David R. Obey (D-Wis.), and adopted instead the drastic budget cuts urged by President Reagan and co-sponsored by Delbert L. Latta (R-Ohio) and Phil Gramm (D-Tex.).

Column 1 *shows the 303-119 defeat of the Obey budget proposal, which would have lessened the severity of the funding cuts. Right votes (R) supporting the measure were cast on May 6 by 118 Democrats and 1 Republican. Voting wrong (W) were 117 Democrats and 186 Republicans.*

Column 2 *shows the 253-176 votes on May 7 to adopt the drastic Latta-Gramm budget. Right votes opposed were cast by 176 Democrats. Voting wrong were 63 Democrats and 190 Republicans.*

Numerals show congressional districts; A—absent.

ALABAMA		
1. Edwards (R)	W	W
2. Dickinson (R)	W	W
3. Nichols (D)	A	W
4. Bevill (D)	W	W
5. Flippo (D)	W	W
6. Smith (R)	W	W
7. Shelby (D)	W	W
ALASKA		
AL Young (R)	W	W
ARIZONA		
1. Rhodes (R)	W	W
2. Udall (D)	R	R
3. Stump (D)	W	W
4. Rudd (R)	W	W
ARKANSAS		
1. Alexander (D)	W	R
2. Bethune (R)	W	W
3. Hammerschmidt (R)	W	W
4. Anthony (D)	W	W
CALIFORNIA		
1. Chappie (R)	W	W
2. Clausen (R)	W	W
3. Matsui (D)	R	R
4. Fazio (D)	R	R
5. Burton, John (D)	R	R
6. Burton, Phillip (D)	R	R
7. Miller (D)	R	R
8. Dellums (D)	R	R
9. Stark (D)	R	R
10. Edwards (D)	R	R
11. Lantos (D)	W	R
12. McCloskey (R)	W	W
13. Mineta (D)	R	R
14. Shumway (R)	W	W
15. Coelho (D)	W	R
16. Panetta (D)	R	R
17. Pashayan (R)	W	W
18. Thomas (R)	W	W
19. Lagomarsino (R)	W	W
20. Goldwater (R)	W	W
21. Fiedler (R)	W	W
22. Moorhead (R)	A	W
23. Beilenson (D)	R	R
24. Waxman (D)	R	R
25. Roybal (D)	R	R
26. Rousselot (R)	W	W
27. Dornan (R)	W	W
28. Dixon (D)	R	R
29. Hawkins (D)	R	R
30. Danielson (D)	R	R
31. Dymally (D)	R	R
32. Anderson (D)	W	R
33. Grisham (R)	W	W
34. Lungren (R)	W	W
35. Dreier (R)	W	W
36. Brown (D)	R	R
37. Lewis (R)	W	W
38. Patterson (D)	R	W
39. Dannemeyer (R)	W	W
40. Badham (R)	A	W
41. Lowery (R)	W	W
42. Hunter (R)	W	W
43. Burgener (R)	A	W
COLORADO		
1. Schroeder (D)	R	R
2. Wirth (D)	W	R
3. Kogovsek (D)	R	R
4. Brown (R)	W	W
5. Kramer (R)	W	W
CONNECTICUT		
1. Cotter (D)	A	A
2. Gejdenson (D)	R	R
3. DeNardis (R)	W	W
4. McKinney (R)	W	W
5. Ratchford (D)	R	R
6. Moffett (D)	R	R
DELAWARE		
AL Evans (R)	W	W
FLORIDA		
1. Hutto (D)	W	W
2. Fuqua (D)	W	W
3. Bennett (D)	W	W
4. Chappell (D)	W	W
5. McCollum (R)	W	W
6. Young (R)	W	W
7. Gibbons (D)	W	W
8. Ireland (D)	W	W
9. Nelson (D)	W	W
10. Bafalis (R)	W	W
11. Mica (D)	W	W
12. Shaw (R)	W	W
13. Lehman (D)	W	R
14. Pepper (D)	R	R
15. Fascell (D)	W	R
GEORGIA		
1. Ginn (D)	W	W
2. Hatcher (D)	W	W
3. Brinkley (D)	W	W
4. Levitas (D)	W	W
5. Fowler (D)	R	R
6. Gingrich (R)	W	W
7. McDonald (D)	W	W
8. Evans (D)	A	W
9. Jenkins (D)	W	W
10. Barnard (D)	W	W
HAWAII		
1. Heftel (D)	W	R
2. Akaka (D)	R	R
IDAHO		
1. Craig (R)	W	W
2. Hansen (R)	W	W
ILLINOIS		
1. Washington (D)	R	R
2. Savage (D)	R	R
3. Russo (D)	W	R
4. Derwinski (R)	W	W
5. Fary (D)	R	R
6. Hyde (R)	W	W
7. Collins (D)	R	R
8. Rostenkowski (D)	W	R
9. Yates (D)	R	R
10. Porter (R)	W	W
11. Annunzio (D)	R	R
12. Crane, Philip (R)	W	W
13. McClory (R)	W	W
14. Erlenborn (R)	W	W
15. Corcoran (R)	W	W
16. Martin (R)	W	W
17. O'Brien (R)	W	W
18. Michel (R)	W	W
19. Railsback (R)	W	W
20. Findley (R)	W	W
21. Madigan (R)	W	W
22. Crane, Dan (R)	W	W
23. Price (D)	R	R
24. Simon (D)	R	R
INDIANA		
1. Benjamin (D)	R	R
2. Fithian (D)	A	R
3. Hiler (R)	W	W
4. Coats (R)	W	W
5. Hillis (R)	W	W
6. Evans (D)	W	W
7. Myers (R)	W	W
8. Deckard (R)	W	W
9. Hamilton (D)	W	R
10. Sharp (D)	W	R
11. Jacobs (D)	W	W
IOWA		
1. Leach (R)	W	W
2. Tauke (R)	W	W
3. Evans (R)	W	W
4. Smith (D)	W	R
5. Harkin (D)	R	R
6. Bedell (D)	W	R
KANSAS		
1. Roberts (R)	W	W
2. Jeffries (R)	W	W
3. Winn (R)	W	W
4. Glickman (D)	W	R
5. Whittaker (R)	W	W
KENTUCKY		
1. Hubbard (D)	W	R
2. Natcher (D)	W	W
3. Mazzoli (D)	W	W
4. Snyder (R)	W	W
5. Rogers (R)	W	W
6. Hopkins (R)	W	W
7. Perkins (D)	R	R
LOUISIANA		
1. Livingston (R)	W	W
2. Boggs (D)	W	R
3. Tauzin (D)	W	W
4. Roemer (D)	W	W
5. Huckaby (D)	W	W
6. Moore (R)	W	W
7. Breaux (D)	W	W
8. Long (D)	W	R
MAINE		
1. Emery (R)	W	W
2. Snowe (R)	W	W
MARYLAND		
1. Dyson (D)	W	W
2. Long (D)	R	W
3. Mikulski (D)	R	R
4. Holt (R)	W	W
5. Vacancy		
6. Byron (D)	W	W
7. Mitchell (D)	R	R
8. Barnes (D)	R	R
MASSACHUSETTS		
1. Conte (R)	W	W
2. Boland (D)	R	R
3. Early (D)	R	R
4. Frank (D)	R	R
5. Shannon (D)	R	R
6. Mavroules (D)	R	R
7. Markey (D)	R	R
8. O'Neill (D)	Speaker	
9. Moakley (D)	R	R
10. Heckler (R)	W	W
11. Donnelly (D)	R	R
12. Studds (D)	R	R
MICHIGAN		
1. Conyers (D)	R	R
2. Pursell (R)	W	W
3. Wolpe (D)	W	R
4. Siljander (R)	W	W
5. Sawyer (R)	W	W
6. Dunn (R)	W	W
7. Kildee (D)	R	R
8. Traxler (D)	W	R
9. Vander Jagt (R)	W	W
10. Albosta (D)	W	W
11. Davis (R)	W	W
12. Bonior (D)	R	R
13. Crockett (D)	A	R
14. Hertel (D)	R	R
15. Ford (D)	R	R
16. Dingell (D)	R	R
17. Brodhead (D)	R	R
18. Blanchard (D)	W	R
19. Broomfield (R)	W	W
MINNESOTA		
1. Erdahl (R)	W	W
2. Hagedorn (R)	W	W
3. Frenzel (R)	W	W
4. Vento (D)	R	R
5. Sabo (D)	R	R
6. Weber (R)	W	W
7. Stangeland (R)	W	W
8. Oberstar (D)	R	R
MISSISSIPPI		
1. Whitten (D)	W	R
2. Bowen (D)	W	W
3. Montgomery (D)	W	W
4. Vacancy		
5. Lott (R)	W	W
MISSOURI		
1. Clay (D)	R	R
2. Young (D)	W	W
3. Gephardt (D)	W	R
4. Skelton (D)	W	W
5. Bolling (D)	R	R
6. Coleman (R)	W	W
7. Taylor (R)	W	W
8. Bailey (R)	W	W
9. Volkmer (D)	W	W
10. Emerson (R)	W	W
MONTANA		
1. Williams (D)	R	R
2. Marlenee (R)	W	W
NEBRASKA		
1. Bereuter (R)	W	W
2. Daub (R)	W	W
3. Smith (R)	W	W
NEVADA		
AL Santini (D)	W	W
NEW HAMPSHIRE		
1. D'Amours (D)	R	R
2. Gregg (R)	W	W
NEW JERSEY		
1. Florio (D)	R	R
2. Hughes (D)	W	R
3. Howard (D)	R	R
4. Smith (R)	W	W
5. Fenwick (R)	W	W
6. Forsythe (R)	W	W
7. Roukema (R)	W	W
8. Roe (D)	R	R
9. Hollenbeck (R)	W	W
10. Rodino (D)	R	R
11. Minish (D)	R	R
12. Rinaldo (R)	W	W
13. Courter (R)	W	W
14. Guarini (D)	R	R
15. Dwyer (D)	R	R
NEW MEXICO		
1. Lujan (R)	W	W
2. Skeen (R)	W	W
NEW YORK		
1. Carney (R)	W	W
2. Downey (D)	R	R
3. Carman (R)	W	W
4. Lent (R)	W	W
5. McGrath (R)	W	W
6. LeBoutillier (R)	W	W
7. Addabbo (D)	R	R
8. Rosenthal (D)	R	R
9. Ferraro (D)	R	R
10. Biaggi (D)	R	R
11. Scheuer (D)	R	R
12. Chisholm (D)	R	R
13. Solarz (D)	R	R
14. Richmond (D)	R	R
15. Zeferetti (D)	R	R
16. Schumer (D)	R	R
17. Molinari (R)	W	W
18. Green (R)	W	W
19. Rangel (D)	R	R
20. Weiss (D)	R	R
21. Garcia (D)	R	R
22. Bingham (D)	R	R
23. Peyser (D)	R	R
24. Ottinger (D)	R	R
25. Fish (R)	W	W
26. Gilman (R)	W	W
27. McHugh (D)	R	R
28. Stratton (D)	W	R
29. Solomon (R)	W	W
30. Martin (R)	W	W
31. Mitchell (R)	W	W
32. Wortley (R)	W	W
33. Lee (R)	W	W
34. Horton (R)	W	W
35. Conable (R)	W	W
36. LaFalce (D)	W	R
37. Nowak (D)	W	R
38. Kemp (R)	W	W
39. Lundine (D)	W	R
NORTH CAROLINA		
1. Jones (D)	W	R
2. Fountain (D)	W	W
3. Whitley (D)	W	R
4. Andrews (D)	W	W
5. Neal (D)	W	R
6. Johnston (R)	W	W
7. Rose (D)	W	R
8. Hefner (D)	W	R
9. Martin (R)	W	W
10. Broyhill (R)	W	W
11. Hendon (R)	W	W
NORTH DAKOTA		
AL Dorgan (D)	R	R
OHIO		
1. Gradison (R)	W	W
2. Luken (D)	W	W
3. Hall (D)	W	W
4. Vacancy		
5. Latta (R)	W	W
6. McEwen (R)	W	W
7. Brown (R)	W	W
8. Kindness (R)	W	W
9. Weber (R)	W	W
10. Miller (R)	W	W
11. Stanton (R)	W	W
12. Shamansky (D)	W	R
13. Pease (D)	R	R
14. Seiberling (D)	R	R
15. Wylie (R)	W	W
16. Regula (R)	W	W
17. Ashbrook (R)	W	W
18. Applegate (D)	W	R
19. Williams (R)	W	W
20. Oakar (D)	R	R
21. Stokes (D)	R	R
22. Eckart (D)	R	R
23. Mottl (D)	W	W
OKLAHOMA		
1. Jones (D)	W	R
2. Synar (D)	W	R
3. Watkins (D)	W	R
4. McCurdy (D)	W	R
5. Edwards (R)	W	W
6. English (D)	W	W
OREGON		
1. AuCoin (D)	W	R
2. Smith (R)	W	W
3. Wyden (D)	R	R
4. Weaver (D)	R	R
PENNSYLVANIA		
1. Foglietta (D)	R	R
2. Gray (D)	R	R
3. Vacancy		
4. Dougherty (R)	W	W
5. Schulze (R)	W	W
6. Yatron (D)	R	W
7. Edgar (D)	R	R
8. Coyne, James (R)	W	W
9. Shuster (R)	W	W
10. McDade (R)	W	W
11. Nelligan (R)	W	W
12. Murtha (D)	W	R
13. Coughlin (R)	W	W
14. Coyne, William (D)	R	R
15. Ritter (R)	W	W
16. Walker (R)	W	W
17. Ertel (D)	W	R
18. Walgren (D)	W	R
19. Goodling (R)	W	W
20. Gaydos (D)	R	R
21. Bailey (D)	R	R
22. Murphy (D)	W	R
23. Clinger (R)	W	W
24. Marks (R)	W	W
25. Atkinson (D)	W	W
RHODE ISLAND		
1. St Germain (D)	W	R
2. Schneider (R)	W	W
SOUTH CAROLINA		
1. Hartnett (R)	W	W
2. Spence (R)	W	W
3. Derrick (D)	W	W
4. Campbell (R)	W	W
5. Holland (D)	W	W
6. Napier (R)	W	W
SOUTH DAKOTA		
1. Daschle (D)	W	R
2. Roberts (R)	W	W
TENNESSEE		
1. Quillen (R)	W	W
2. Duncan (R)	W	W
3. Bouquard (D)	W	W
4. Gore (D)	R	R
5. Boner (D)	W	R
6. Beard (R)	W	W
7. Jones (D)	W	W
8. Ford (D)	R	R
TEXAS		
1. Hall, Sam (D)	W	W
2. Wilson (D)	W	W
3. Collins (R)	W	W
4. Hall, Ralph (D)	W	W
5. Mattox (D)	W	R
6. Gramm (D)	W	W
7. Archer (R)	W	W
8. Fields (R)	W	W
9. Brooks (D)	W	R
10. Pickle (D)	W	R
11. Leath (D)	W	W
12. Wright (D)	W	R
13. Hightower (D)	W	W
14. Patman (D)	W	R
15. de la Garza (D)	W	R
16. White (D)	W	W
17. Stenholm (D)	W	W
18. Leland (D)	R	R
19. Hance (D)	W	W
20. Gonzalez (D)	R	R
21. Loeffler (R)	W	W
22. Paul (R)	W	W
23. Kazen (D)	W	R
24. Frost (D)	W	R
UTAH		
1. Hansen (R)	W	W
2. Marriott (R)	W	W
VERMONT		
AL Jeffords (R)	R	W
VIRGINIA		
1. Trible (R)	W	W
2. Whitehurst (R)	W	W
3. Bliley (R)	W	W
4. Daniel, Robert (R)	W	W
5. Daniel, Dan (D)	W	W
6. Butler (R)	W	W
7. Robinson (R)	W	W
8. Parris (R)	W	W
9. Wampler (R)	W	W
10. Wolf (R)	W	W
WASHINGTON		
1. Pritchard (R)	W	W
2. Swift (D)	W	R
3. Bonker (D)	W	R
4. Morrison (R)	W	W
5. Foley (D)	W	R
6. Dicks (D)	W	R
7. Lowry (D)	R	R
WEST VIRGINIA		
1. Mollohan (D)	R	R
2. Benedict (R)	W	W
3. Staton (R)	W	W
4. Rahall (D)	R	R
WISCONSIN		
1. Aspin (D)	R	R
2. Kastenmeier (D)	R	R
3. Gunderson (R)	W	W
4. Zablocki (D)	R	R
5. Reuss (D)	R	R
6. Petri (R)	W	W
7. Obey (D)	R	R
8. Roth (R)	W	W
9. Sensenbrenner (R)	W	W
WYOMING		
AL Cheney (R	W	W

Price Surge At Wholesale Level Eases

Inflation at the wholesale level moderated in April, but was still running at a near double-digit rate, the Bureau of Labor Statistics reported.

The seasonally adjusted rise in producer prices of eight-tenths of 1 percent, which translates to a 9.6 percent annual rate before compounding, compared to an increase of 1.3 percent in March.

"THE DECELERATION in the finished goods (wholesale) price index from the unusually high March advance was caused primarily by a considerably slower increase in finished energy prices," BLS said.

"Another moderating influence was the consumer foods index, which showed no change following an eight-tenths of 1 percent rise in March."

On the other hand, BLS said, prices for finished goods other than food and energy moved up 1 percent, or twice as much as in March. Finished goods are products ready for sale at retail.

During the 12 months ended in April the producer price index for finished goods climbed 10.6 percent. The wholesale price report usually provides a good indication of future price trends at the retail level. The April increase in wholesale prices was in line with price rises for finished goods in January and February.

Prices for intermediate materials rose 1.1 percent for the fourth time in the last five months. Crude material prices went up 1.5 percent, after falling 1.3 percent in March.

ENERGY COSTS in April rose 1.6 percent at wholesale. In March, energy prices jumped 6.1 percent, reflecting in part President Reagan's Jan. 28 oil-decontrol order.

Gasoline prices increased 1.3 percent over the month compared with 7.5 percent in March. Home heating oil prices were up 1.7 percent, compared with 9 percent in the previous month.

On the other hand, natural gas prices rose more rapidly than in March, 2 percent as compared with 1.3 percent. Price increases for finished lubricants also accelerated in April.

Prices for consumer finished goods other than foods and energy reflected increases among a number of items, including passenger cars, which rose 1.4 percent after an increase of three-tenths of 1 percent in March, and tobacco products, which soared 5.1 percent over the month, following a year of generally small increases, BLS reported.

Prices also were higher than in March for clothing, books, and alcoholic beverages. Gold jewelry prices were unchanged after falling rapidly for the past several months.



VIGIL FOR VICTIMS of industrial accidents and job health hazards in Pennsylvania is conducted at the White House to protest the Administration's rollback of OSHA standards and environmental safeguards. The weekly demonstrations are being coordinated by the AFL-CIO Industrial Union Dept.'s OSHA/Environmental Network.

Students Cited For Essays on Handicapped

The labor movement works for the employment of the handicapped through collective bargaining agreements and its overall equal opportunity policies, Everett Lehman, director of special programs for the International Brotherhood of Electrical Workers told the winners of the national "Ability Counts" essay contest for high school students.

Lehman, representing AFL-CIO Vice President Charles H. Pillard who is vice chairman of the President's Committee for Employment of the Handicapped, pointed out that the trade union movement long ago fought for and won the first industrial safety laws and has been the leader in winning state workers' compensation laws and in upgrading occupational safety and health legislation.

The essay contest winners and their families were the guests of the AFL-CIO at a luncheon in their honor held during the annual meeting of the President's committee. Communications Workers President Glenn E. Watts chairs the committee's labor panel.

The students' trips to Washington, D.C. for the awards ceremony were paid for by the federation and its state central bodies.

THE FIVE national winners, along with 36 other state winners, wrote on the theme "Mainstreaming of Disabled Students in My Community's Schools." The five top winners shared $5,500 in cash scholarships donated by the Disabled American Veterans.

First prize of $2,000 went to Edna Elain Crawford of South Carolina. Second prize of $1,500 went to Robert Burns of Pennsylvania; third prize of $900 to Susan K. Anderson of Oregon; fourth prize of $600 to Michele Schmickle of Texas; and fifth prize of $500 to Charles Keller of Colorado.



NATIONAL WINNERS of the annual essay contest for high school students promoting the employment of the handicapped are congratulated by Harold Russell, left, chairman of the President's Committee for Employment of the Handicapped, and Everett Lehman, director of special programs of the International Brotherhood of Electrical Workers. The winners were Edna Crawford, South Carolina, second from right, first prize; Robert Burns, Pennsylvania, second prize, and Susan Anderson, Oregon, third prize. State winners were guests of the AFL-CIO during their visit to Washington for the awards ceremony.

Pennsylvanians Join Protest On Rollback of OSHA, EPA

A delegation of Pennsylvania trade unionists and environmentalists came to Washington to protest the Reagan Administration's widening campaign to dismantle workplace safety and air quality laws.

The group demonstrated at the White House and lobbied their representatives and senators on Capitol Hill as part of the weekly victims' vigils for workers who have died as a result of occupational accidents and job-related disease.

THE VIGILS are coordinated by the AFL-CIO Industrial Union Dept.'s OSHA/Environmental Network in an effort to preserve the Occupational Safety & Health Act and the Clean Air Act.

Participants of the Pennsylvania vigil expressed concerns over sharp budget reductions for OSHA enforcement programs and administrative actions to reduce the effectiveness of established and proposed regulations.

Representatives of state environmental groups taking part in the demonstrations, including the Sierra Club and Trout Unlimited, cited a serious threat to public health posed by lack of effective controls of emissions from utility plants in the Ohio River Valley. They cited estimates by the Environmental Protection Agency that 54,000 pollution-related deaths could be averted by stricter controls.

"THESE CONCERNED citizens have come to Washington to explain that we are not just talking about numbers and budgets, but also about human suffering, death and sorrow," IUD President Howard D. Samuel said at a press conference. "We want the Congress and the Reagan Administration to realize that if they weaken OSHA or the Clean Air Act, they are literally threatening the lives of thousands of people."

Pledging a strong commitment to the fight, Samuel said "the health of workers and communities cannot be sacrificed on the altar of supply-side economics."

Sierra Club representative Brock Evans said workers must not be forced to make the choice of "it's either dirty air or your job." He noted that workers in other countries are not confronted with that kind of "blackmail."

Other environmentalists expressed concern over the increased amount of acid rain affecting Pennsylvania's rivers and streams, which is killing off the state's $1.6 billion per year sports fishing industry.

Fish in streams are much like canaries in mines—to warn people of impending hazards, they pointed out.

IN MEETING with congressional representatives, the vigil participants sought support in the effort to reverse the Administration's attempt to roll back OSHA regulations and proposals dealing with the labeling of toxic substances, hearing conservation, cotton dust and exposure to lead, hearings on conveyor hazards, and walk-around compensation for workers participating in OSHA inspections.

Sitting in on the meeting were Pennsylvania's Republican Senators John Heinz and Arlen Spector and Democratic Representatives Don Bailey, Allen E. Ertel, William H. Gray, Doug Walgren and Gus Yatron.

The Pennsylvania vigil was the third in the series of Monday demonstrations in Washington. Participating in coming vigils will be Ohio, May 18, and Wisconsin, June 1.

Mini-Strike Wins Gains for Guild At N.Y. Dailies

New York—A 6½-hour strike against the New York Times by the Newspaper Guild brought the union tentative, new three-year agreements with both the Times and the Daily News and appeared to remove the possibility of another prolonged confrontation between the city's newspaper unions and the two dailies.

The Guild was the last of the city's major newspaper unions to reach tentative agreements with the papers, which are bargaining jointly through the Publisher's Association of New York. The Times and Daily News were shut down for three months in the fall of 1978 by a Pressmen's strike.

BARGAINING IS continuing at the New York Post, which broke with the publishers' association during the 1978 strike.

While full details of the Guild settlements with the Times and the Daily News were not available pending membership ratification, it was clear that the wage increase provisions would raise the minimum rate for experienced reporters, photographers and outside advertising sales persons to more than $750 a week at the Times and to more than $715 a week at the Daily News.

Under contracts that expired Mar. 30, the minimum rates were $616.07 at the Times and $578.81 at the News.

The wage increases, like those negotiated earlier by the printing crafts and the drivers' union, average $51 a week retroactive to Mar. 31, $36 in the second year and $37 in the third year, plus cost-of-living increases in the second and third years matching any rise in the regional consumer price index that exceeds 6 percent. There also is an additional $6 in the second year for health and welfare improvements.

The Guild's tentative agreements also would immediately eliminate a lower set of minimum wages for employees hired since Jan. 1, 1979, moving them to parity with more senior employees' minimum rates. This was a central area of dispute in the talks.

FORMER TUC LEADER DIES

London—Sir Vincent Tewson, general secretary of the British Trades Union Congress from 1946 to 1966, died May 2 at his home in Letchworth. He was 83. AFL-CIO President Lane Kirkland sent a message of condolence to the TUC.

Donahue Cites Dangers

Cut-Rate Role for OSHA Poses High Human Cost

Philadelphia—The Reagan Administration's bargain basement approach to OSHA standards is a primitive and unreliable tool for ridding workplaces of hazards, AFL-CIO Sec.-Treas. Thomas R. Donahue warned in keynoting the National Safety Council's regional congress here.

For workers, the Administration's cost-benefit concept on job safety and health regulations is a no-win proposition, Donahue said in pointing out that an estimated 100,000 die each year from occupational disease.

DONAHUE NOTED that the Administration is also embracing the "cost effectiveness" dogma that is keyed to resolving workplace problems through the least expensive route for management which, in some cases, would require workers to use burdensome respirators rather than installing engineering controls.

"As a result, the workplace continues to be a time-bomb of toxic contaminants —and it continues to tick," he warned.

Organized labor finds the Administration's regulatory approach unacceptable and inhuman, he said in stressing that the AFL-CIO will continue to stick with its position that "the goals of the Occupational Safety & Health Act are attainable without sacrificing workers' lives and health or the economic viability of business."

For years, Donahue noted, conservative economists have been attempting to calculate the dollar-cost of compliance with OSHA regulations.

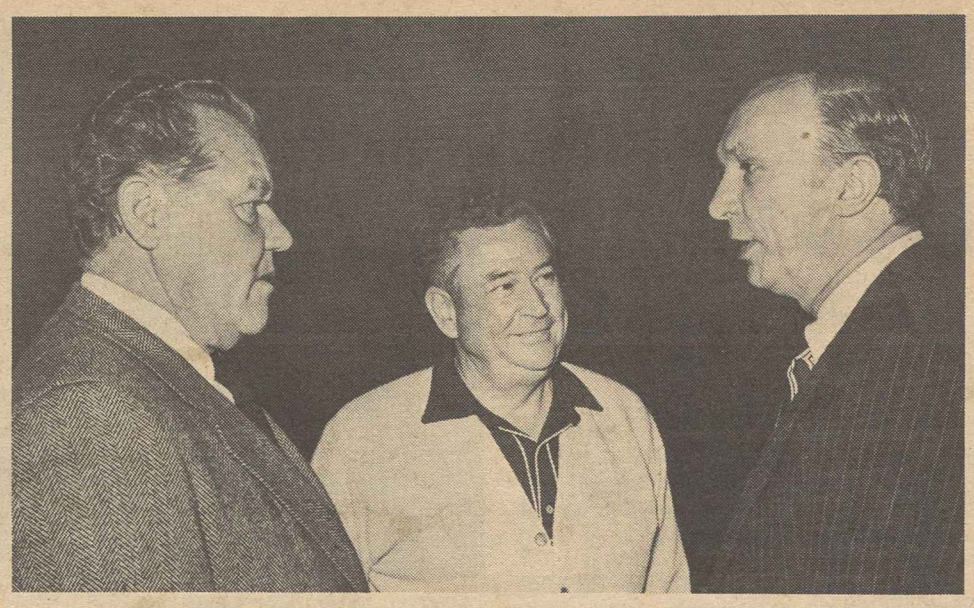
"THE CONCEPT that costs and benefits can be totally expressed in dollar terms has an intrinsic appeal because of its apparent common sense approach, like shopping around for the best bargains in grocery stores," he said.

Branding this a simplistic approach, Donahue pointed out that no one so far has been able to attach a dollar value to the human life. Yet, he noted, the Administration is subjecting a number of OSHA standards and regulations to cost-benefit analysis.

Under this approach it has withdrawn a proposed rule on identification of chemical hazards, postponed the effective date of a hearing-conservation regulation, cancelled proposed hearings on a conveyor standard, asked the Supreme Court to set aside action on the cotton dust and lead standards, and has withdrawn proposed amendments to OSHA's cancer policy.

"WHILE WE can't offer an upbeat, optimistic forecast for the future success of safety and health efforts," Donahue said, "neither will we raise a flag of surrender to economists who evangelize the past as the future.

"We refuse to deal in terms of so-called 'political realities' because the only reality we know is the lives and health of our members," Donahue told the conference participants.



OUTGOING OFFICERS of the AFL-CIO Secretary-Treasurers' Conference—Eugene Glover of the Machinists, left, and David S. Turner of the Sheet Metal Workers—are congratulated by Federation Sec.-Treas. Thomas R. Donahue at the annual meeting in Baltimore. For the past three years, Glover had been serving as conference chairman and Turner as treasurer. The new top officers of the conference are Chairman Louis B. Knecht of the Communications Workers, Vice Chairman Frank S. McKee of the Steelworkers and Treas. Charles F. Moran of the Boilermakers.

Unions Seek Full Funding For Rail Safety Inspections

Railroad unions have asked Congress to reject a Reagan Administration attempt to save money by reducing the size of the federal safety program in the industry for fiscal 1982.

J. R. Snyder, safety committee chairman of the Railway Labor Executives Association, told a House Appropriations subcommittee that, while recognizing the great pressure upon Congress to cut funds, "rail labor will not sit idly while rail safety is in the process of being downgraded."

THE FEDERAL Railroad Administration (FRA), which implements federal rail safety policy, has asked Congress to reduce the number of federal rail inspectors by 41 positions. In addition, the FRA is requesting the same amount of money as last year—$1.8 million—for travel time for inspectors.

Snyder, who is legislative director for the United Transportation Union, told the panel that "there are absolutely no positive aspects to the Administration's rail safety program" for fiscal 1982. He said the reductions requested by the Administration will endanger the lives and safety of workers and increase the danger to the public through the possibility of increased rail accidents.

Snyder pointed out that as of Apr. 1. 1981, the FRA employed only 228 rail inspectors to inspect approximately 309,000 miles of track, 28,400 locomotives, 1.7 million freight cars and 125,000 miles of signal systems.

CITING THE 1980 record of 97 deaths, 1,209 collisions and 6,468 derailments, Snyder questioned the effectiveness of the current federal rail safety enforcement capability. He said the "most critical need is for enough FRA inspectors to enforce adequately the existing federal safety rules and regulatons."

Rail labor has estimated that the cost of 50 additional inspectors, including salary and travel time expenses, would be $2.3 million. Snyder compared this figure with the $15 million collected in fines last year by safety inspectors and the $270 million in property damage caused by rail accidents.

Concerning the travel time appropriations, Snyder said FRA has underestimated the amount needed year after year. If the same amount of money is provided for travel expenses this year as last, Snyder said, rail inspectors would only be able to travel 13 days per month.

Postal Unions Press Bolger To Begin Talks on Contract

The heads of two unions that together represent about 500,000 of the nearly 600,000 Postal Service employees called on Postmaster Gen. William F. Bolger to accept the decision of a National Labor Relations Board regional director and begin negotiations on a new contract.

"We are ready, willing, and able to meet with the Postal Service, either formally or informally," Letter Carriers President Vincent R. Sombrotto and Postal Workers President Moe Biller said in a letter to USPS chief negotiator Joseph F. Morris.

"INDEED, YOU will recall that we had scheduled collective bargaining to begin Apr. 22, after a series of informal meetings with you, and it was only the unilateral refusal of the Postal Service to attend the scheduled bargaining session that led to the present, unfortunate situation," they observed.

Separate talks also had been scheduled last month by the Mail Handlers division of the Laborers and the unaffiliated Rural Letter Carriers, which represent the balance of the Postal Service workers covered by union contracts. Bolger boycotted the April meetings, however, calling the structure under which the unions bargain independently of each other "unworkable."

Earlier, on Apr. 17, Bolger petitioned the NLRB to redefine the bargaining unit into a single unit. That petition was rejected on Apr. 30 by the NLRB regional director in Baltimore, who gave USPS until May 13 to appeal the decision. The Postal Service later was given a five-day extension of the deadline, and Bolger said he would use the added time to seek an informal solution to the representation problem.

BUT BILLER and Sombrotto told the House Post Office & Civil Service Committee that the problem is of Bolger's own making and that their unions would meet with the USPS only to begin negotiations on a new contract.

The two smaller unions—the Mail Handlers and the Rural Letter Carriers—have said they would coordinate their bargaining with APWU and NALC but want a separate contract.

Current three-year pacts with the USPS expire on July 20. The talks constitute the largest labor-management negotiations this year in terms of workers represented.

Donovan Sweatshop Raids Called 'Phony Theatrics'

The chairman of a House subcommittee has accused Labor Sec. Raymond Donovan of staging "phony theatrical stunts" to divert attention from Administration moves to undermine worker protections.

Rep. George Miller (D-Calif.) contrasted what he termed the "high-publicity" participation by Donovan in raids on two garment industry sweatshops that were violating the wage-hour law with the department's subsequent proposal to lift its long-standing ban on industrial homework.

The regulatory change would allow manufacturers in various apparel-related industries to farm out work to be performed in a worker's home instead of in a factory or other central workplace that would be subject to regular inspections.

Miller said his Subcommittee on Labor Standards of the House Education & Labor Committee will start hearings on the Administration's regulatory actions May 19.

The proposed change would breed new sweatshops, Miller charged. He told his colleagues in the House that he intends to challenge any such move as "a clear abandonment of the Labor Dept.'s mandate to improve the working conditions of American working men and women."

Reagan's Budget Proposals Sail Through Senate

(Continued from Page 1)

Funds for scores of other federal programs would be lumped together in "block grants" to the states. But invariably, the total funds for block grants would be substantially less than the earmarked federal funds they are to replace.

Before the Senate vote, the AFL-CIO wrote each senator protesting that the spending reductions that would be imposed by the budget resolution would do "irreparable harm" to the nation.

But the only modification made during four days of debate was an amendment approved by the Republican leadership to allow military and federal government retirees to get a scheduled cost-of-living raise.

WITH A SOLID Republican majority in the Senate, the outcome of the budget vote was never in doubt. The only surprise was the magnitude of Democratic support. On final passage, 28 Democrats voted for the Republican budget and only 18 opposed it.

The previous week, the Democratic majority in the House crumbled with 63 defections to the Reagan camp. **(Rollcall on Page 6)**

The most controversial portion of the budget resolution, in terms of congressional sentiment, deals with revenue estimates which are based on an assumption that a tax cut of the magnitude proposed by the Administration will be enacted this year.

Ironically, while the Senate was adopting a budget forecasting a deficit of more than $50 billion in the next fiscal year, a Senate subcommittee endorsed a proposed constitutional amendment to require a balanced budget except in time of war.

5/16/81

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Social Security Cuts Stir Wide Protest

Senate Vote Deals Rebuff To President

By James M. Shevis

A storm of outrage over the Administration's proposals to slash social security benefits swept the nation and organized labor mounted a major drive to head off the cuts.

The Reagan plan, which has drawn a heavy flow of protest mail to Capitol Hill and the White House since it was unveiled May 13, would drastically curtail benefits for all workers who choose to retire at 62 instead of 65, impose severe new restrictions on disability retirement, and change the benefit formula to reduce payments to future retirees of all ages.

SO STRONG was the grass-roots resentment that the Senate unanimously adopted a resolution promising not to make any "precipitous or unfair" reductions in early retirement benefits. Only by a single vote did the Republican-controlled Senate stop a Democratic-sponsored resolution attacking the Administration plan as a "breach of faith."

At the White House, Acting Press Secretary Larry Speakes told reporters that the Administration is "certainly willing" to discuss changes in its proposal.

When the Administration plans were unveiled, AFL-CIO President Lane Kirkland pledged that unions "will do everything we can to prevent their enactment."

AUTO WORKERS President Douglas Fraser said in a Detroit speech the UAW would conduct the largest lobbying campaign in its history to fight the Administration's proposals. Union members will travel to Washington, and camp out on the doorsteps of lawmakers when the social security cuts come up for consideration in Congress, he said.

"I don't care if it takes weeks. I don't care if it takes months," Fraser declared. "We're going to stay there until this atrocious legislation is defeated.

"It's really changing the rules in the middle of the game. It's really double-crossing the people."

ON CAPITOL HILL, Senate Democrats caucused and unanimously adopted a resolution condemning the proposed reductions as "precipitous and severe," and constituting "a breach of faith with those aging Americans who have contributed to the social security system and have planned for their retirement upon the promise of a specific level of social security income."

Senate Minority Leader Robert C. Byrd (D-W.Va.) declared: "We're going to oppose this proposal by the President to the last ditch, and we'll use every rule in the Senate book to see that it doesn't become law."

(Continued on Page 7)

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Labor's Tax Alternative Tied to Aid for Workers



LABOR AND ART blend in the original, limited-edition lithograph created by internationally acclaimed American artist Robert Rauschenberg for the AFL-CIO's centennial celebration. Rauschenberg, who signed and numbered all 300 prints of the work, presents the first to AFL-CIO President Lane Kirkland at the premier showing of the lithograph at federation headquarters. **(Story, Page 2.)**

Kirkland Hits Reagan Plan As Unfair

AFL-CIO President Lane Kirkland pressed Senate tax-writers to take a fresh look at labor's proposal to link business assistance to the nation's reindustrialization goals and to use a payroll tax credit to alleviate inflation's burden on America's workers.

Kirkland went before the Republican-led, conservative-dominated Senate Finance Committee to challenge the Reagan Administration's tax proposals as unfair, inflationary and wasteful.

HE SCOFFED at the "supply-side" notion that giving substantially bigger tax savings to the wealthy will send them rushing to invest in new plant and equipment.

And he protested business tax cuts that would heap unneeded windfalls on corporations with the highest earnings, reward companies for purchasing equipment abroad and further shift the tax burden from corporations to individuals.

Kirkland outlined the labor-supported alternative, which has been introduced in the House by two members of the Ways & Means Committee—Frank J. Guarini (D-N.J.) and William M. Brodhead (D-Mich.).

IT WOULD give every wage and salary earner a tax refund equal to 20 percent of social security payroll deductions. For this year, the maximum tax reduction would be $395 for a one-earner household and $790 for a two-worker family.

(Continued on Page 3)

Unions, Employers Blast Bid to Revive Homework

Union and employer witnesses told a House Labor Standards subcommittee that there is no conceivable justification for the Administration's plan to revoke long-standing regulations that prohibit industrial homework.

AFL-CIO Legislative Director Ray Denison stressed that the ban on farming out work was imposed years ago because it proved impossible to enforce the Fair Labor Standards Act in "kitchen sweatshops." Yet the Labor Dept.'s "sole justification" for its proposal to repeal the ban is that the deregulation wouldn't have any "significant economic impact," Denison noted.

Ladies' Garment Workers President Sol C. Chaikin said he found it "simply incredible" that any Secretary of Labor would propose such a backward step.

He termed industrial homework the "worst form" of sweatshop the garment industry ever experienced.

An employer spokesman agreed. Kurt Barnard, executive director of the Federation of Apparel Manufacturers, said the Labor Dept.'s proposed action would mean "disaster" for fair employers.

IT WOULD lead to "proliferation of at-home sweatshops" and "foster the exploitation of unregistered aliens," he warned.

The costume jewelry industry is also one of those where industrial homework was banned because of flagrant abuses, and union representatives warned that conditions are ripe for a revival of social evils if the Labor Dept. goes through with its deregulations.

Leon Swerdlove, director of the Jewelry Workers Division of the Service Employees, and Local 1-J President Joseph Tarantola said deregulation would have "a devastating impact on the wages, hours and working conditions of jewelry workers."

It is difficult enough now to enforce

(Continued on Page 3)

Labor Dept. Weighs Move To Trim Pay Protections

By David L. Perlman

The Labor Dept. is considering regulatory changes that would shrink the prevailing wage protections of the Davis-Bacon Act, cut back coverage of the Service Contract Act and lessen affirmative action obligations of federal contractors.

All three programs are being scrutinized under the Reagan Administration's cost-benefit test for government regulations, Labor Dept. Solicitor T. Timothy Ryan, Jr., told reporters at a news briefing.

MODIFICATIONS in existing regulations had been proposed by the Carter Administration before it left office, but Ryan made clear that the revisions being drafted by the Labor Dept. go much deeper than consideration of the earlier proposals.

That's especially true of the Davis-Bacon Act, which requires construction contractors to pay workers on federally-funded projects no less than local prevailing rates of pay and fringe benefits.

Ryan's list of "major issues under review" by the Labor Dept. covers virtually all the complaints that open-shop contractors have made.

A SPECIAL target is the so-called 30 percent rule, which would have been unchanged in the Carter proposals. Under present regulations, the prevailing wage is the rate received by the largest number of workers in the job classification being surveyed, provided they constitute at least 30 percent of all the workers in that classification.

(Continued on Page 7)

Reagan's Budget Cuts Get Final Congress Okay

Congress gave final approval to the drastic budget cuts demanded by President Reagan, and its committees began chopping up federal programs in order to hold spending under the new budget ceilings.

In the House Ways & Means Committee and the Senate Finance Committee, the unemployed were among the first victims.

BOTH PANELS agreed to end the national extended unemployment benefits program that is triggered on by recession-level jobless rates. They also changed the formula for triggering state extended benefits entitlements, and sharply cut back jobless benefits for persons leaving military service.

The trade adjustment assistance program would be reduced to a short-term extension of regular unemployment benefits with a job training entitlement.

(Continued on Page 2)



WORK IN PROGRESS nears completion as top American artist Robert Rauschenberg checks proofs of the limited edition lithograph he created for the AFL-CIO centennial celebration with Graphic Arts Union members at Prolith International, Beltsville, Md. Reproductions of the print will be available in June.

Budget Cuts Get Approval Of Congress

(Continued from Page 1)

After the House committee agreed to cut the $1.7 billion cost of the present program to $364 million for the fiscal year starting Oct. 1, Rep. Sam Gibbons (D-Fla.) said the effect was so close to a "sunset" provision ending a program that "you won't be able to tell when the sun goes over the horizon."

THE HOUSE committee went on to chop $850 million out of the low-income energy assistance program, reduce welfare payments for families with dependent children by $760 million—which was less than the Senate committee had slashed—and cut $2.7 billion in social security payments through phasing out college student benefits as the Administration had sought and deferring half of the July 1982 cost-of-living adjustment until October.

In all, the Ways & Means Committee chopped $9.1 billion from programs in its jurisdiction and instructed its staff to come up with additional suggestions.

AN EVEN more painful task of program-slashing faces the more liberal House Education & Labor Committee and the Senate Labor & Human Resources Committee, now under Republican control.

House Committee Chairman Carl D. Perkins (D-Ky.) made no secret of his distaste for the reconciliation instructions that would force the destruction of programs the committee has initiated and considers still needed. His committee's reconciliation instructions are to achieve more than $10 billion in spending cuts.

The budget resolution directs committees to report their legislative changes to the House and Senate Budget Committees by June 12. The Budget Committee of each body will then bring to the floor a single bill that is supposed to achieve the budget targets. It can write additional cuts into the reconciliation bill if a legislative committee fails to meet its quota.

OTHER COMMITTEES are also faced with multibillion-dollar spending cuts, threatening to wipe out the entire Economic Development Administration, cut back sharply on various forms of public works, slash food stamp entitlements, reduce rail subsidies and shrink government services generally.

The House-Senate conference agreement that included the reconciliation instructions cleared the House by a 244-155 vote and passed the Senate, 76-20.

New Slide Show, Graphics Focus on Labor's Centennial

The AFL-CIO has added an educational slide show, a portable historical display and a reproduction of original art to the materials available for use during the celebration of organized labor's centennial year.

Previewed by the AFL-CIO Executive Council at its spring meeting in Baltimore, the slide show, titled "Achievement and Challenge," focuses on labor's growth over the past 100 years. It contains a built-in soundtrack with special music and a professional narrator.

The 11-minute show, which involves the use of two projectors, 4-track tape equipment, stereo speakers and a professional control deck, has been converted into ¾-inch videocassette form and 16 mm motion and local unions, central bodies, schools and others. Available now, the purchase price for the videocassette is $30; for the picture film to meet the needs of national film, $65.

Also in production, for delivery in June, is a film strip version of the slide show. The price for the strip with accompanying soundtrack will be approximately $25.

All versions will be available for rental through the AFL-CIO Dept. of Education.

ALSO SHOWN at the council meeting was a set of three large historical panels suitable for display in union halls, at meetings, in schools and in public libraries.

Through pictures symbolic of the activities and people of organized labor since 1881, brief explanatory text and captions, the panels tell the story of labor's struggle and service to union members and to the entire American public. Distribution will begin in June.

The council viewed for the first time artist Robert Rauschenberg's new work, a lithograph titled "AFL-CIO Centennial Commemorative Artwork."

CREATED FROM a montage of photographs and graphic materials drawn from labor history, the 25-by-38-inch print was produced from nine plates under the personal supervision of the artist at Prolith International, a leading reproducer of art in the Washington metropolitan area, with the cooperation of the Graphic Arts International Union.

The edition of 300 copies of the artwork was signed and numbered by the artist. The print is being readied now for reproduction in quantity and will be available in June.

Scheduled for completion around July 1 is the centennial documentary film, a 27-minute motion picture to be called "A Time of Challenge."

"A Short History of American Labor," the 36-page brochure issued in February, quickly went out of print due to demand. It has been reprinted in quantity and is once again available at the listed price of $1.

THE CENTENNIAL poster featuring Samuel Gompers' answer to the question, "What does labor want?" is also available through the AFL-CIO Pamphlet Division, in addition to reprints of articles and features from the American Federationist and the centennial bumper sticker.

Order blanks for these materials are available from the AFL-CIO Pamphlet Division, 815 - 16th St. N.W., Washington, D.C. 20006.

Hillman Awards Cite Outstanding Work in Media

New York—Penny Lernoux, a reporter and Latin American affairs expert, received one of four Sidney Hillman Foundation awards in communications at a luncheon ceremony here honoring outstanding achievements in 1980 in the fields of newspaper reporting, radio and television documentaries, magazine articles, and books.

Lernoux's award was for her book, "Cry of the People," a study of the struggle for human rights in Latin America. Other winners at the 31st annual awards presentation were:

- The Miami Herald, for an investigative series of articles titled "Police Brutality" that dealt with tensions in Miami over racial problems.
- Bill Moyers' Journal, for a television documentary examining the influence of the New Right in national politics. Moyers won a similar award in 1977.
- The MacNeil-Lehrer Report, which was given a special award for continued excellence in TV journalism.

The winners each received scrolls and $750 checks.

THE AWARDS are a memorial to Sidney Hillman, first president of the original Amalgamated Clothing Workers of America, which merged in 1976 with the Textile Workers Union of America to form the Amalgamated Clothing & Textile Workers. They were established to recognize those in the media who have the courage to report on any subject, no matter how controversial, in the hope of improving society as a whole.

Judges for the 1980 awards were TV commentator Edwards P. Morgan, author and lecturer Harrison E. Salisbury, and columnist and television commentator Carl T. Rowan.

OPIC Renewal Fought on Jobs Export Issue

The AFL-CIO urged Congress not to extend the life of the Overseas Private Investment Corp. (OPIC), which insures U.S. investors in 80 developing nations against losses from expropriation, war, revolution and blocked currency.

In practice, OPIC has encouraged the export of U.S. capital, jobs and technology, AFL-CIO Economist Elizabeth R. Jager told a House Foreign Affairs subcommittee.

She asked rejection of a bill to extend OPIC's authorization an additional four years. The program encourages firms to invest abroad rather than in the United States. Its extension "would have the taxpayers continue to subsidize industry abroad, even those operations which produce job-destroying imports," she stressed.

Jager said congressional attempts to correct abuses in OPIC's operations have not been successful and the program should be terminated "as soon as possible."

OPIC's 1980 annual report, she noted, shows that the chief beneficiaries of its program were the same "giant firms and banks that have always benefited from them."

Illinois Legislature Swamps 'Right-to-Work' Proposal

Springfield, Ill.—The Illinois House of Representatives voted 138 to 25 to kill a so-called right-to-work bill, dealing supporters of the anti-worker measure their eighth defeat this year.

State AFL-CIO President Robert G. Gibson applauded the house action, declaring that "these 138 members weren't fooled by the rhetoric. Right-to-work-for-less proposals have never guaranteed any worker a right to a job. Rather they are intended to destroy the effectiveness of the labor union movement in Illinois."

Gibson added that the 25 votes in favor of "right-to-work," all cast by Republicans, were fewer than the number of sponsors listed on the bill.

When the measure was reported out of the Republican-dominated House Labor Committee, it marked the first time such a bill had reached the floor of the House in Illinois legislative history, Gibson said.

The vote against the compulsory open shop, Gibson said, "puts this phony issue behind us." He said Illinois labor will now concentrate its legislative efforts to seek defeat of a series of anti-worker proposals sent to the House floor by the same Labor Committee.

Those measures include bills that would slash unemployment compensation by 40 percent, drastically cut workers' compensation, repeal certain safety laws covering work on hazardous construction sites, and cut wages paid on public construction projects.

Bills to outlaw union shop contracts have been defeated since the first of the year by state legislatures in New Hampshire, Vermont, Maine, Idaho, West Virginia and Maryland, as well as Illinois. A New Mexico measure was killed by the governor's veto.

'Kitchen Sweatshops'

Unions, Employers Blast Bid to Revive Homework

(Continued from Page 1)

the laws, they noted. In Rhode Island, where a large percentage of costume jewelry manufacture is concentrated, "most of the manufacturing is performed by small job shops." Most are unorganized, employing "large numbers of aliens and minorities, including undocumented workers." Already, illegal homework operations exist where families work until late at night "and truant officers in the state complain that children are being kept out of school to perform the work."

Labor Sec. Raymond J. Donovan declined an invitation to testify before the subcommittee, but Deputy Under Sec. of Labor Robert B. Collyer said the department would be better able to protect workers by repealing the ban on industrial homework and mounting a "strong enforcement effort."

Subcommittee Chairman George Miller (D-Calif.) scoffed at the assertion and noted that the Reagan Administration budget required a substantial cutback in enforcement staff for the Fair Labor Standards Act.

IN A SPEECH to business leaders later that day, Donovan said he will press for stiffer penalties for repeated violators of the Fair Labor Standards Act as part of a campaign against sweatshop operations.

Donovan said the combination of measures would result in "a regulatory framework that makes sense, penalizing the exploitation of workers, wherever it exists, but not penalizing work."

Denison, testifying for the AFL-CIO, challenged the Secretary of Labor's view that allowing homework in the industries where it has been prohibited would "open up job opportunities."

In practice, he warned, it would destroy jobs the economy needs, and the replacement "opportunities" are "an unacceptable tradeoff."

CONVENTIONS

The Carpenters' 1981 convention in Chicago will open Aug. 31 rather than Sept. 4 as previously listed.

The Public Employee Dept. will hold its 1981 convention June 11-12 in Washington, D.C.

THE REGULATIONS the Administration proposes to revoke, Denison noted, allow homework in seven specified industries to be performed "only by persons unable to adjust to factory work because of age or physical or mental disability, or by persons who must remain at home to care for an invalid." The covered industries are jewelry manufacturing, gloves and mittens, knitted outerwear, button and buckle manufacturing, women's apparel, handkerchief manufacturing and embroideries.

Chaikin told the subcommittee that industrial homework gave employers a means of violating labor standards laws "with total impunity."

When laws made child labor illegal, he testified, employers shifted to homework for "obvious" reason. "When an employer farmed out work to an adult worker to be taken home to be finished, the employer could readily disclaim responsibility if the woman who took the work home had her children work on the garments."

CHAIKIN NOTED also that when factory laws compelled employers to meet standards for fire prevention and sanitation, many simply evaded the responsibility by farming out work to be done in tenement "rat holes and fire traps."

A South Carolina dress manufacturer, Jack Davis, said legitimate business operations would be undercut by outfits using homeworkers.

Sen. Patrick J. Leahy (D-Vt.) said he supported an exemption that would allow a cottage knitting operation in rural Vermont to continue. But he said the problem could have been dealt with by the Labor Dept. through more "carefully crafted" changes instead of repeal of the entire homework ban.

SEN. DANIEL Patrick Moynihan (D-N.Y.) protested that the Labor Dept. was proposing to turn back the clock to evils that "we thought had disappeared like tuberculosis."

And for the National Consumers League, Ruth Jordan charged that the Labor Dept. is evading its obligation to maintain the integrity of the Fair Labor Standards Act by its proposal to legalize homework.



SWEATSHOP ERA would be brought back by a Labor Dept. plan to end the ban on industrial homework, Ladies' Garment Workers President Sol C. Chaikin warned at House hearings. At left is ILGWU Counsel Max Zimny.

Court Allows Pension Offset For Workers' Compensation

The Supreme Court has upheld the legality of provisions in private pension plans that reduce a retiree's benefits by the amount of a state worker's compensation award for job-related injuries.

In an 8-to-0 decision, the court ruled that Congress contemplated and approved such "offset" provisions when it enacted the 1974 Employee Retirement Income Security Act (ERISA) regulating private pension plans.

THE OPINION by Justice Thurgood Marshall strikes down parts of a 1977 New Jersey law prohibiting pension plans from deducting injury or disability awards from retirement benefits. Justice William J. Brennan took no part in the decision.

The ruling stems from employee challenges to pension plans maintained by General Motors Corp. and Raybestos-Manhattan, Inc. Many pension plans contain provisions similar to those challenged.

The suit against GM was filed in 1977 by two workers in behalf of a class of retired employees who were receiving pensions under the GM plan when they collected workers' compensation benefits. One worker received some $2,500 and the other $2,300. The full amount of the awards was then deducted by the employer from their pension benefits.

SIX OTHER retirees filed a similar class action early in 1978 against Raybestos-Manhattan, when similar deductions were made from their pension benefits. Both lawsuits alleged violations of New Jersey state law.

The employers removed the suits to federal district courts where judges in both cases held that the pension offset provisions violated New Jersey law, and that Congress had not intended ERISA to preempt such state laws. They also held that the offsets were barred by Section 203(a) of ERISA prohibiting forfeiture of vested pension rights. Section 203 states that "each pension plan shall provide that an employee's right to his normal retirement benefits is nonforfeitable upon the attainment of normal retirement age."

The 3rd Circuit Court of Appeals reversed both findings on Feb. 15, 1980, and the Supreme Court granted review of the matter last November.

MARSHALL EXPLAINED in his opinion that the retirees' argument based on Section 203 ignores the fact that except for certain restrictions imposed by ERISA, private parties are free to define the content of the pension benefits that, once vested, cannot be forefeited.

Prior to 1977, New Jersey had approved workers' compensation offsets in collectively bargained pension agreements. In that year, the state legislature amended the New Jersey Workers' Compensation Act to outlaw such offsets.

Labor's Tax Alternative Tied to Aid for Workers

(Continued from Page 1)

Employers would be given a 5 percent tax credit on their share of the payroll tax.

Business assistance would be channeled through a tripartite board to the goal of "revitalization and rehabilitation of the nation's basic industries and economically distressed areas," Kirkland said.

"The alternative we support provides a greater share of tax relief to those low and middle-income families who need help now," Kirkland told the committee.

"IT PROVIDES tax relief for smaller, more labor-intensive companies ignored by the Reagan proposal. And it targets other business tax incentives to those areas and industries, new and old, that most need help."

Even members of Congress who have gone along with the Administration's spending cut demands have questioned the President's call for a three-year series of tax cuts, mounting to 30 percent.

The AFL-CIO shares that concern "about the consequences of locking the economy into a three-year tax cut," Kirkland said. Any further reductions, he urged, "should be based on experience, not guesswork."

SERVICE EMPLOYEES President John J. Sweeney also testified before the Senate panel in opposition to the Administration tax bill.

"The President's program will not provide real tax relief for the overwhelming majority of service workers," Sweeney said. "In fact, most of our members will be paying a larger share of their income in taxes under the plan because of inflation and increased payroll taxes."

But the U.S. Chamber of Commerce testified that it "strongly supports" the Administration tax proposal.



TAX CUTS proposed by the Reagan Administration are tilted toward the wealthy and would chiefly benefit businesses that are already most profitable, AFL-CIO President Lane Kirkland testified. With him at Senate Finance Committee hearings are Research Director Rudy Oswald, left, and Legislative Director Ray Denison.

Media Restraint Asked on Early Voting Projection

The AFL-CIO has joined with the League of Women Voters and other concerned organizations in a letter urging radio and television networks and wire services not to project the winner of the presidential election while polls are still open on the West Coast.

In last November's election, many voters didn't bother to go to the polls because projections based on results from states in earlier time zones pointed to a big Reagan victory.

While the falloff in late voting did not affect the presidential outcome, it probably influenced the results of several close contests for Congress and for state or local offices.

THE LETTER to the news media stressed that voluntary restraint in projecting early returns would not infringe on freedom of the press.

"We do not believe that any news agency should refrain from full and fair reporting of actual and final counts when they become available," the letter specified. "But a projection, no matter how it is derived, is not the same as the actual results and can have the effect of influencing those results."

The organizations joining in the request urged that there should be "one night every four years when the people should be allowed their full and fair opportunity to speak, when their voice should be heard and their story should be told as it unfolds."

A Facade of Equity

THE ADMINISTRATION tax program is presented with a facade of "equity" for individuals and "neutrality" for corporations. It is neither.

The bulk of the benefits of the individual tax cut go to those individuals in the highest income brackets—nearly 30 percent to the top 5 percent. By contrast, the program we support would give 60 percent of the benefit to the vast majority of taxpayers who earn less than $30,000 a year.

It is neither equitable nor fair for the government to grant almost $17,000 in tax cuts over the next three years to an individual earning $100,000 a year, while those earning the median family annual income of $20,000 receive less than $1,500.

BY THE SAME TOKEN, those corporations with the highest earnings—oil companies, the communications industry and other capital-intensive firms—would gain the lion's share of the business tax cuts. Those industries facing the most critical needs—such as auto and steel—would get little benefit.

With persistent high unemployment, the nation needs jobs. Yet the Administration proposal concentrates its benefits on larger, more prosperous, capital-intensive firms with little potential to increase employment.

It seems to us a more prudent use of tax dollars to encourage investments that will increase employment opportunities, especially in hard-pressed urban areas. The 10-5-3 depreciation allowance speed-up is not a program to encourage investment; it is a program to shift the tax burden from corporations onto the backs of individuals.

Given the current state of the American economy, we see absolutely no reason why the government should reward any company for purchasing equipment from abroad. Speeding up depreciation allowances on Datsuns would only speed up the deterioration of the American automobile industry.

Because we are also concerned about the consequences of locking the economy into a three-year tax cut, the AFL-CIO supports a one-year tax cut. Any further changes should be based on experience, not guesswork.

THE ALTERNATIVE we support provides a greater share of tax relief to those low and middle-income families who need help now. It provides tax relief for smaller, more labor-intensive companies ignored by the Reagan proposal. And it targets other business tax incentives to those areas and industries, new and old, that most need help.

This alternative recognizes that tax burdens are too high for many, but not all individuals; that some industries need tax relief, but not all.

Most importantly, it also avoids the economic peril that could result from shackling the country to one set economic approach that, at best, is highly questionable.

—From AFL-CIO President Lane Kirkland's testimony before the Senate Finance Committee, May 20, 1981.

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'Hold It!'



Shifting the Burden

Corporate Share of Tax Load Shows Steady Drop Since '58

By Gus Tyler

NOW LISTEN, all ye budget balancers, there really is a very simple way to do it. Just get corporations to pay their "proper share" and we could balance the budget and restore all those unkindly cuts.

What's a "proper share," you ask. Just have the corporations carry the same share of federal taxes that they did in 1958 and all will be in balance.

The proof can be found in the application of elementary arithmetic. Just try it:

IN 1958, total receipts of the federal government were $78 billion of which about $18 billion were from taxes on corporate profits. That means that corporations were then carrying about 23 percent of the tax load and, if you please, doing very nicely with after-tax profits.

But, as always, corporations complained that they were being taxed to death and that they needed relief in the form of this kind and that kind of shelter. As a consequence, corporations began to carry an ever lesser part of the load.

By 1970, corporations were carrying about 17 percent of the tax burden; by 1980, the corporate share had fallen to a mere 13.3 percent. By 1982, it is projected that corporations will pick up only 10.8 percent of the federal tax total—which is less than half the share they carried in 1958.

NOW LET'S DO our elementary calculations on what would happen if corporations in 1981 were to carry their "proper share," using the year 1958 as a modest measure of "propriety."

The estimated total tax receipts for 1981 are $614 billion. Corporations are expected to pay $67.9 billion, a rate equal to 11 percent.

But if the corporations paid at the 1958 rate of 23.3 percent, they would pay in $143 billion instead of a pallid $67.9 billion.

THAT MEANS, if you simply subtract what they will pay in from what they should be paying in, Uncle Sam would end up $75 billion richer.

That $75 billion would easily cover the deficit and would leave almost $30 billion to restore some of those vital services that the Administration wants to chop down.

But instead of raising the corporate share from 13 percent in 1980 back up to the good old 23 percent that prevailed in 1958, it is proposed to lower the corporate portion from 13 to 11 to 10 percent.

OBVIOUSLY, the budget is going to be unbalanced if the corporations that once carried one-quarter of the responsibility are now carrying only one-tenth and are still pushing to be excused altogether from carrying any of the costs.

The budget is unbalanced because the corporations have unbalanced it by excusing themselves from the obligation of paying their "proper share" of the nation's costs.

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White Collar Women Battle for Full Rights

Women are changing the face of the workforce in the United States. The old picture of the average woman working only until she gets married doesn't hold true today.

The changes resulting from the tremendous number of women entering and re-entering the workforce are affecting how "equal employment opportunity" is defined—by the government, unions and employers.

This is especially true for women in white collar jobs.

The "prestige" of a white collar job is no longer sufficient. What matters is that women's jobs are recognized for their value and worth to the employer and the community, that non-glamorous health hazards such as office equipment fumes and stress are recognized for the contributions they are making to illness among white collar women, that responsibility for families be shared, and that convenient, quality child care be available.

What we must continue to fight for, through our unions and in our governments, is elimination of continuing discrimination in our pay, our advancement opportunities, our benefits, and in the recognition of our contributions to our nations' economies.

—AFL-CIO Vice President Joyce D. Miller in welcome to delegates to the World Women's Conference, Washington, D.C., May 13, 1981.

Turning Back the Clock

Homework Lets Employer Flout Labor Standards with Impunity

The following is excerpted from testimony by President Sol C. Chaikin of the Ladies' Garment Workers at a House Labor Standards subcommittee hearing, May 19, 1981.

INDUSTRIAL HOMEWORK has always been a way to violate the law with nearly total impunity. For instance, when laws were passed prohibiting industrial employment of children below a certain age, employers shifted to homework.

The reason was obvious. If children of illegal age were employed in the factory, either a government inspector or the union or some worker could lodge a complaint. But when an employer farmed out work to an adult worker to be taken home to be finished, the employer could readily disclaim responsibility if the woman who took the work home had her children work on the garments. And that is precisely what happened.

As that great American poet Edwin Markham wrote in 1907—when homework was legal—"The children are called in from play to drive and drudge beside their elders. The load falls upon the ones least able to bear it—upon the backs of the little children at the base of the labor pyramid."

AND WHO IS IT that calls the children "in from play?" It is the parent, of course—not the employer. Will this parent then turn herself in for violating the law by employing children?

Another example. Various states passed factory laws, especially after the gruesome Triangle Fire in our industry. The object was to reduce the danger of fire and unsanitary conditions. To evade those laws, employers turned to homework. If the work was done—as it was—in filthy kitchens, in rat holes, in firetraps, the employer could disclaim all responsibility. Are we to expect that the worker at home would register a complaint about her work environment when her work site is her home?

So it went. A law was passed to counter abuses in the factory and the reflexive action of many employers was to use industrial homework as a way to evade the law.

TO ARGUE—as the Secretary of Labor does—that legalization of homework would encourage enforcement of the law is to fly in the face of all experience and to reject the conclusions of common sense.

This is particularly true in the light of what happened during the period of the National Recovery Act when a massive effort was made to establish standards by codes for separate industries. The NRA codes sought to establish standards by codes for separate industries. The NRA codes sought to establish standards affecting wages, hours, and child labor. Most codes in an industry where homework was widespread banned it because it was widely understood that if homework were to be permitted and remain unregulated, it would not be possible to maintain the proper labor standards.

The Bureau of Women & Children of the Pennsylvania Dept. of Labor conducted an exhaustive study that concluded: "No matter how stringent the regulations, how honest the investigators, the sweatshop conditions will continue to exist until homework is abolished."

The Women's Bureau did a study in Rhode Island, reaching the same conclusion: "The prevention of child labor is practically impossible under a system of industrial homework. It is a temptation in families that eke out their existence to increase their pitifully small earnings with the aid of even very small children."

IT IS important to note the two reasons why the National Recovery Administration concluded that it was necessary to abolish homework. First, homework made it impossible to enforce the industrial codes regulating hours, wages and child labor. Second, homework had disastrous "competitive effects."

Employers using homeworkers paid less. They were able to undercut legitimate employers. In a kind of industrial Gresham's Law where bad money drives out good money, bad employers drove out good employers.

That's why good employers—and, by that I mean employers who lived within the law—joined readily in the move to abolish homework.

Homework is a simple way to violate the law without fear of punishment: no minimum wage, no overtime, no limit on hours, no health and safety measures, no taxes. To legalize such homework is to multiply violations.

THE WEIGHT of accumulated experience and the application of simple common sense make perfectly clear that homework is an evil that can not be "regulated" and that most certainly can not be cured by complaints from workers caught in the system.

The reasons why homework must be restricted are as valid today as they ever were. In fact, in two respects they are even more valid. First, there is a huge body of illegal aliens who are the natural prey for such a system. Second, the cash economy is widespread today and payment off-the-books is a common practice. These two facts make homework more dangerous and difficult to regulate than ever before.

All of the evidence—past and present—demonstrates the overwhelming need to maintain homework restrictions. Indeed, never has the need been so urgent.

Major Cities Hit

Health Funds Slash Threatens Hospital Closings, Job Losses

THE REAGAN ADMINISTRATION's severe cutback in funds for health care programs will affect large numbers of Americans who depend on medical and hospital services, Sec.-Treas. Richard W. Cordtz of the Service Employees warned in a network radio interview.

Cordtz said the adverse impact of these reductions has already hit some of the nation's major cities, particularly facilities that handle emergency cases and serve the elderly, poverty-level and low-income families.

The Reagan budget will not only force many hospitals, clinics and long-term facilities to shut down, he said, but will reduce the number of doctors, nurses and other medical and health personnel needed to staff and operate those that remain.

Cordtz was questioned by reporters on Labor News Conference, the AFL-CIO public affairs program broadcast weekly by Mutual radio.

Cordtz said that the health care cutbacks will cause "more than just a ripple" throughout the economy. He noted that hundreds of thousands of jobs are directly or indirectly involved in the health care industry. He cited the impact in Michigan—a high-unemployment state—where four institutions have already shut down their nursing programs, and health care professionals predict that within two years nearly half of the 88 certified hospitals in the greater Detroit area will have closed their doors.

THE PROJECTED layoffs will fall heavily on some of the nation's lowest-paid workers, Cordtz stressed. He said that wages in the health care industry are far below the national average. Convalescent home workers, for example, earn only $6,000 to $6,700 a year, which is less than the government itself says is needed for survival-level living, Cordtz pointed out.

He was questioned on Labor News Conference by Douglas Harbrecht of the Scripps-Howard Newspapers and Calvin Zon of Press Associates, Inc.

Washington Window

By Press Associates, Inc.

THE UNITED STATES has nearly 8 million people actively seeking work and unable to find it. While the underlying economy is strong, high interest rates and reduced federal spending probably will add to the unemployment rolls in the period ahead.

Against this background, the Reagan Administration is seriously considering a plan to import hundreds of thousands of Mexican nationals to work in America's factories, mills, stores and offices.

These new jobseekers would be called, in the euphemism of the times, "guestworkers."

THE AIM OF the White House is not to "soak up" the illegal or undocumented workers already in this country who are variously estimated to total 2 to 12 million. Rather, it is to develop a new program as part of a "North American Accord" to improve relations with Mexico. It also may give President Reagan a card to play when he discusses Mexican oil, gas and other matters when he meets with Mexico's president in June.

If domestic unemployment is not enough to dissuade the Administration, then it might learn something from the experience of western Europe.

As Europe recovered from World War II and unemployment was near zero, many countries began importing foreign or "guest" workers for lower-paid menial jobs, ostensibly on a temporary basis.

THE EUROPEAN migration grew to a total of some 30 million people. The members of the Common Market were the chief receivers, except for Ireland and Italy. The chief labor-supplying nations were Ireland and Italy, along with Portugal, Spain, Finland, Greece, Turkey and Yugoslavia. Algeria, Sudan and Morocco became labor exporters in the 1970s.

The recruiting of "guest" workers stopped with the 1973-74 energy crisis and rising unemployment. The problem then became one of trying to persuade the "guests" to go home while integrating those who had settled.

If the lessons of Europe are too remote, there are experiences closer to home.

A task force of the National Committee for Full Employment has urged the Reagan Administration not to repeat the "disasters" of past programs which exploited Mexican workers.

The bracero program that operated from 1942 to 1963 brought hundreds of thousands of campesinos to work for U.S. agribusiness, the task force recalled, and it did not help U.S.-Mexican relations.

Ernesto Galarza, in his classic "Merchants of Labor," examined in fine detail how an efficient system of administered migration was developed by the United States and Mexico to supply labor to agribusiness. The Mexicans were docile, cheap and captive. Americans lost job opportunities, and farm labor unions were kept weak. There was corruption and collusion between growers and officials. It was a big success, but not worthy of a great democracy.

IN THE 1950s, when Congress periodically considered what could be done about the bracero problem, Galarza proposed an ambitious bi-national Rio Grande Valley development program to absorb Mexico's unemployed and build harmony between the two nations. That was never done and the United States remains the "safety valve" for job-hungry Mexicans.

Today, members of the Full Employment Committee's Task Force are urging the Reagan Administration to act constructively on the "undocumented" worker problem instead of pursuing the "guestworker" plan. They would offer a two-layered amnesty plan: "green card" or commuter status for the more senior undocumented workers and H-2 or temporary job status for others.

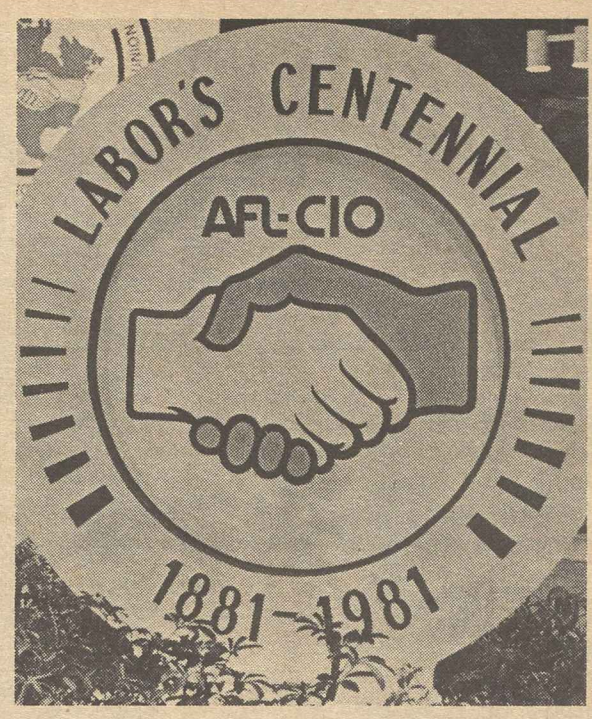
It is to be hoped that President Reagan will choose to work on the problem at hand rather than create new ones.



HEALTH CARE CUTBACKS in the Reagan budget will leave large numbers of Americans without full-range medical and hospital services, Service Employees Sec.-Treas. Richard W. Cordtz, center, warned on Labor News Conference. Reporters questioning him were Calvin Zon, left, of Press Associates, Inc., and Douglas Harbrecht of the Scripps-Howard Newspapers.



Prizes and giveaways help attract thousands to Food & Commercial Workers exhibit and show.



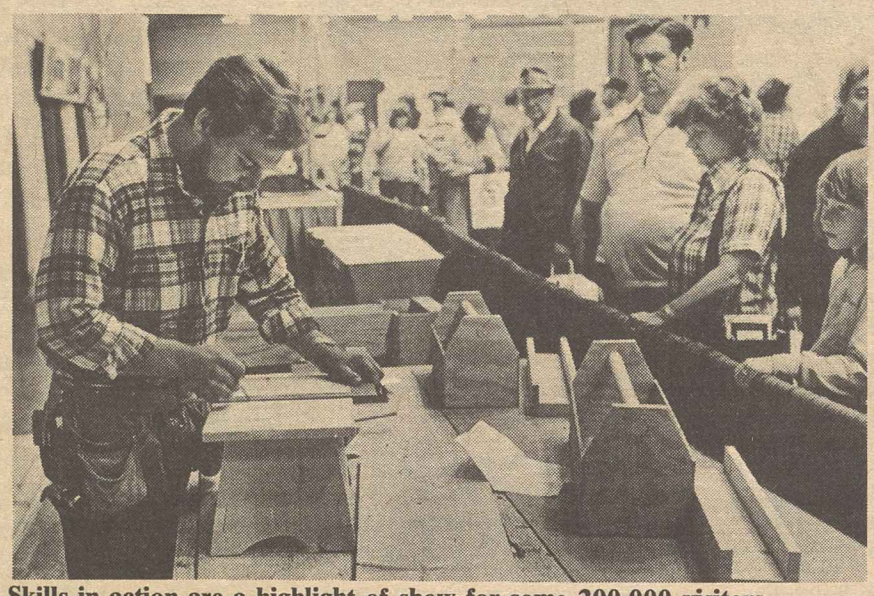
Union-Industries Show a Hit

A close-up look at union members' skills in action, and how products are made and services delivered, attracted some 200,000 visitors to the 36th AFL-CIO Union-Industries Show in Baltimore.

The show, produced in a different city each year by the Union Label & Service Trades Dept., is the only labor-management exposition of its kind in the United States.

It is labor relations in action as visitors see the benefits to business and workers of the good labor-management relations that are the rule in the American system of collective bargaining.

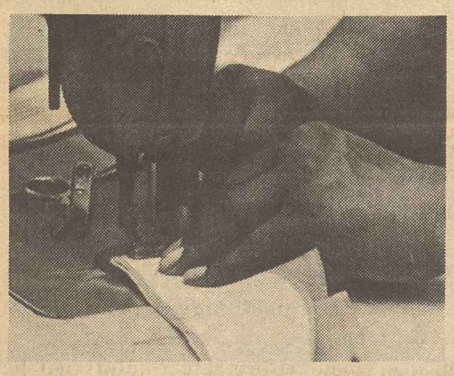
And they have fun in the process, with prizes and souvenirs to take home.



Skills in action are a highlight of show for some 200,000 visitors.

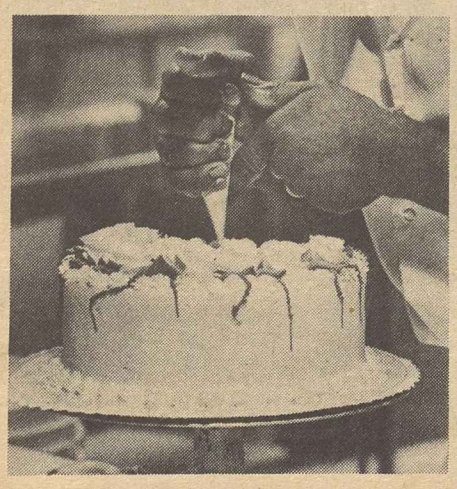


Val Hamer Day honors a Baltimore native son and 84-year-old Glass Bottle Blowers member who has displayed his craft at every show since 1954. With Hamer are AFL-CIO President Lane Kirkland, GBBA President James Hatfield, left, and city Labor Commissioner Jeffrey Austin.



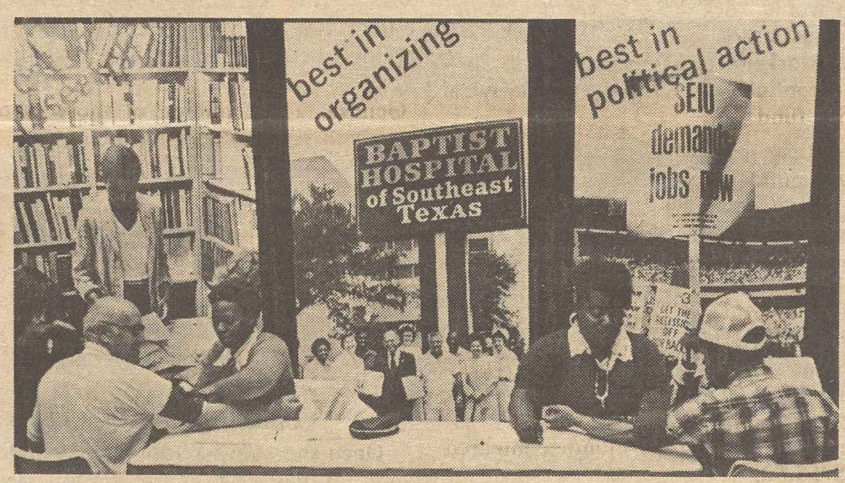








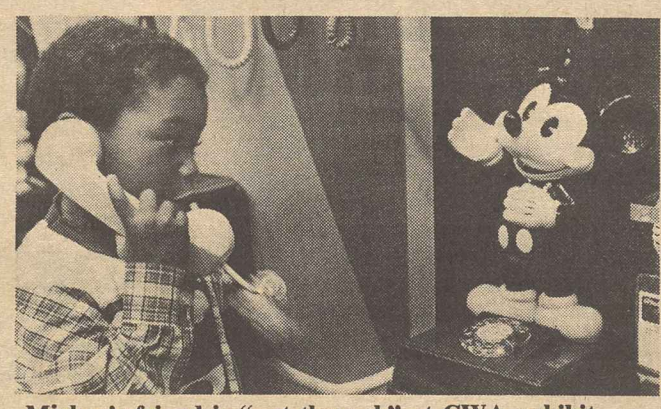
AFL-CIO Sec.-Treas. Thomas R. Donahue gets into training.



Service employees members give free blood pressure tests and information on their union.



Art show at Painters' booth includes portraits-to-go.



Mickey's friend is "put through" at CWA exhibit.



Magic of chemistry and the lure of union-made prizes entrance crowds at the Chemical Workers' exhibit.

Storm Grows Over Social Security Cuts

(Continued from Page 1)

Senate Democratic Whip Alan Cranston of California said the vote on the caucus resolution marked the first time since Reagan took office that the Democrats, now in the minority in the Senate, have spoken with one voice.

EARLIER, House Speaker Thomas P. O'Neill (D-Mass.) pledged he would fight the proposed social security cuts "every inch of the way . . . and I hope that will be the position of every member of my party."

O'Neill told reporters that telephones were "ringing off the hook" in congressional offices since the Reagan program was announced, adding that "people are enraged the President has broken his campaign pledge on social security."

Leaders of Save Our Security, a coalition of 83 groups representing the elderly and union members, held an emergency meeting in Washington to map a major drive against the Reagan cuts. The coalition, which successfully opposed the Carter Administration's recommendations on social security two years ago, is headed by Wilbur J. Cohen, who was Secretary of Health, Education & Welfare in the Johnson Administration, and Robert M. Ball, former Social Security Commissioner under three Presidents.

COHEN TOLD a New York Times interviewer that four of the Reagan proposals would reduce social security benefits by a total of $81.9 billion over the next five years if they were approved by Congress. He called the President's program "a calamity, a tragedy, and a catastrophe," which would "destroy people's confidence in the institution of social security," and make workers question whether they should continue to contribute to the social security fund.

The Reagan proposal that provoked the greatest outrage—the cut in early-retirement benefits—would reduce monthly payments for a person retiring at age 62 to 55 percent of full benefits instead of 80 percent as provided by current law. For a worker eligible for full retirement benefits choosing to retire at age 62 in January 1982 that would mean a monthly benefit of only $310.50 compared with $469.60 under current law. By January 1987, the figure would be $430 a month compared with $755.60.

But Senate Finance Committee Chairman Bob Dole (R-Kan.) said his talks with congressional collegues showed that Congress was "probably not going to do very much soon as far as early retirees are concerned. . . . Those who will turn 62 in the next few years probably won't have very much to worry about."

ON THE television program, "Face the Nation," Dole also expressed surprise and dismay at the timing of the social security proposals. "We've got all we can do right now dealing with the budget and taxes," he said. "We ought to clear the deck before we bite the bullet on social security."

On the House side, Rep. Claude Pepper (D-Fla.) opened hearings on the proposed reductions before the House Committee on Aging, which he chairs.

Maryland House Seat To Remain Democratic

A labor-supported Democrat, Steny H. Hoyer, was elected to the House from Maryland's 5th Congressional District despite a strong Administration effort for his opponent.

Hoyer received 55.1 percent of the vote to defeat Audrey Scott in the district that Democrat Gladys Noon Spellman represented since 1975. She has been hospitalized in a semi-coma since last October, and her seat was declared vacant.

The district, primarily a suburb of Washington, D.C., has a Democratic registration majority. But Vice President Bush campaigned for the Republican candidate and President Reagan sent a letter on her behalf.



EQUAL JOB OPPORTUNITIES and appropriate wages are goals shared by women workers around the world who are turning in growing numbers to trade unions to achieve them, Food & Commercial Workers' President William H. Wynn tells delegates to the World Women's Conference. The meeting was sponsored by the International Federation of Commercial, Clerical, Professional & Technical Employees (FIET) in Washington, D.C. Also shown are FIET President Gunther Stephan; General Sec. Heribert Maier and UFCW Vice President Norma Steill.

Women's Conference Keyed to Job Issues

One of the most important challenges facing labor is the fight for equal opportunity and equal treatment for women white-collar workers.

This was the message that President William H. Wynn of the Food & Commercial Workers carried to some 250 delegates to the second World Women's Conference in Washington.

IT ALSO formed the theme of the three-day conference, which was hosted by the UFCW and sponsored by the International Federation of Commercial, Clerical, Professional & Technical Employees (FIET). More than 7 million white collar workers throughout the non-Communist world belong to FIET, which has headquarters in Geneva. Three million of those members —about 43 percent—are women.

From the rapid increase in the number of women in the U.S. workforce over the last three decades—from about 18 million in 1950 to more than 40 million in 1979—"it would appear that American women have, at long last, gained equal access to the educational, economic, social and political rewards of our society," Wynn observed.

But while women are working, he said, a high proportion of them are still working in jobs "which have been aptly described as 'the women's ghetto.'"

EVEN THOUGH some women have made inroads into traditionally male vocations and higher wage brackets, Wynn pointed out that the overall average of women's salaries in the United States is only 59.1 percent of men's wages.

Joyce Miller, president of the Coalition of Labor Union Women and a vice president of the Clothing & Textile Workers, told the delegates that the difference in women's and men's pay levels is due mainly to occupational segregation.

Although women have "cracked the door" in almost all occupations, Miller noted that more than half of all working women hold white collar jobs and, out of these, over half are in low-paying clerical positions.

MILLER SAID the United States is ahead in policies and programs which promote equality in the workplace even though European countries have more laws guaranteeing equal opportunity and protection for women. She cited Title VII of the 1964 Civil Rights Act, the Equal Employment Opportunity Commission, federal employment and training programs, Title IX, and the Women's Educational Equity Act as contributing to advances made by American women.

However, Miller said "continued support for these efforts under the present Administration does not look hopeful."

In addition, she said, gains made through these efforts are "unfortunately, not enough."

She emphasized, as did other speakers at the opening session, that organizing women white collar workers could provide the impetus for achieving equal status in the workforce. Through negotiated wage increases and benefits, traditionally female jobs can be upgraded to the point of making them more attractive to men, Miller pointed out, encouraging them to move into these occupations and ease occupational segregation.

ANOTHER BENEFIT of organizing women, Miller said, is in the area of pay equity—equal pay for work of comparable value. Union strategies to achieve pay equity for members include studies of job classifications and wage rates, negotiated upgrading of traditional female jobs, grievance and arbitration procedures and court suits, she said. **(PAI)**

New Rule Changes Weighed Cutting Worker Protections

(Continued from Page 1)

Open-shop contractors have complained that this sometimes forces them to pay higher union wages and fringe benefits to non-union workers.

Ryan said the regulation and its administration will be scrutinized "to assess whether the rules' benefits exceed their costs and whether the wage determinations issued under current practice accurately reflect locally prevailing wages."

HE SAID the department is also considering contracting out the gathering of prevailing wage data to a private organization instead of using Labor Dept. employees.

Other issues being considered include whether to permit increased use of helpers and trainees at lower wage rates on federal construction contracts, and possible elimination of the requirement that contractors submit weekly payroll records for checking of wage rates.

Ryan indicated that the Labor Dept. is in the final stages of making its decisions on regulatory changes. They will then be submitted for review to the Office of Management & Budget and officially proposed before the end of June. Interested parties will then have an opportunity to comment before the regulations are made final.

He said that earlier this month Labor Sec. Raymond J. Donovan had met "with affected interest groups to inform them of the department's general notions about possible ways to improve the rules and to permit them to ask questions concerning the department's approach."

THE LABOR DEPT. fact sheet on changes it is considering in the Service Contract Act regulations deals largely with jurisdiction of the law, which sets wage standards for contractors providing services to government agencies.

The new Administration is questioning whether to cover, as the Carter Administration intended, contracts for automated data processings and other "high technology" equipment, timber sales and removals, research and development, equipment overhaul and modification.

It also will look into the issue of coverage of a part of a contract that involves services, even if that is not the principal purpose of the contract. And it will consider changes in the wage-determination procedures.

The Carter Administration had proposed tightening some of the regulations involving affirmative action programs coming under the Office of Federal Contract Compliance.

THE REAGAN Administration is considering changes to loosen the regulations, including exemption of more small contractors.

Among the points being considered, Ryan indicated, are:

- Whether back pay is an appropriate remedy for violations.
- How to address sex discrimination in the workplace.
- Whether to specify numerical goals for minority and female participation in construction, whether non-federal construction work of covered contractors should be exempted, and whether contractors should be required to develop affirmative action plans for their non-construction employees.

Ryan was asked how the Reagan Administration proposed to apply a cost-benefit test to the value of affirmative action programs in eliminating the effects of past discrimination.

He responded that this could be done.

Prime Lending Rate Back Up to 20%

Most major banks lifted their prime lending rate another half-point to 20 percent, the fifth increase in the rate in about five weeks.

The key lending rate, the charge posted by banks on loans to their best corporate customers, is now at its highest level since Jan. 5. At that time, the rate was beginning to decline from December's record 21.5 percent. The rate continued to fall until it bottomed out at 17 percent last month before turning upward again.

The higher prime rate will inevitably mean higher interest rates on all borrowing, thus pushing up the cost of housing, autos and other consumer purchases.

Despite Fund Cutback

HRDI to Press Training, Job Placement Activities

The AFL-CIO Human Resources Development Institute will carry on its job training and placement activities for disadvantaged workers on a national scale, but sharp cuts in federal funds that its programs depend on mean HRDI must tighten up its staff and activities for the rest of 1981.

That appraisal of the status and future of the AFL-CIO's employment and training arm was made at special meetings of HRDI's executive staff and trustees following notification from the Labor Dept. that the institute's contract for programs under the Comprehensive Employment & Training Administration would be cut by some 37 percent.

HRDI "FULLY intends to carry out its mandate from the AFL-CIO to assist the unemployed and disadvantaged to obtain training and jobs," HRDI President Alan Kistler reported to the board. He said the stiff cut in CETA grant funds means HRDI must reduce its staff and curtail its programs so that remaining funds can be used to continue services on a national scale until the end of fiscal 1981 on Oct. 1.

Among those national activities, Kistler said, will be efforts to find private sector jobs for many of the 340,000 CETA public service employees about to be displaced by the dropping of that program.

AFL-CIO President Lane Kirkland, who serves as chairman of the 23-member board, praised HRDI's successful training, placement and job-creating record in its 13-year history.

KIRKLAND emphasized that the nature of federally supported employment and training policies is unclear after CETA expires in 1982, but it is likely there will be "significant revisions" in the system.

The AFL-CIO, with other concerned organizations, "will fight for a continuation of a national policy that would afford the most disadvantaged workers within our society the opportunity to obtain meaningful employment," Kirkland said. Whatever new policies are set, he said, "the labor movement must continue to be an active partner and participant."

He stressed that with assistance from HRDI, the federation will be active in developing proposals for future employment and training policy.

THE CUTS in the federal budget will mean that as of May 22, HRDI will close 25 of its 58 area offices, discontinue its veterans' assistance program, and close five of its nine handicapped placement offices. In addition, all 17 field associate representative positions will be cut along with 10 national office staff positions for a total of 89 jobs eliminated. Nine of HRDI's 25 targeted outreach programs, sponsored by local building trades councils, will be ended by June 30.

Executive Director Michael M. Arnold explained to the board that the decisions on the closings took into account local community needs, past performance, seniority, and HRDI's structural needs to maintain a national presence and program.

He said HRDI is working with state and local central bodies and building trades councils in the areas where its offices will close to help find local funding to keep the training and employment program going.

Efforts are also under way to find employment for HRDI employees whose jobs have been eliminated. Arnold stressed that these workers are experienced employment and training experts whose skills are valuable to the labor movement.

'Reforms' Seen Adding to Delay In Rule-Setting

Regulatory "reform" bills being considered by House and Senate subcommittees would complicate rather than simplify government rule-setting, the AFL-CIO protested.

Labor would support legislation that would "cut red tape, weed out useless or duplicative regulations and improve the responsiveness of regulators to matters that affect workers," Associate Legislative Director Howard Marlowe testified.

BUT MARLOWE told Judiciary subcommittees of both the House and Senate that the similar bills that are before them would result in "more complexity, more delay and more expense for the government and the participating parties." The bills are sponsored by the chairmen of the subcommittees considering them — Sen. Paul Laxalt (R-Nev.) and Rep. George E. Danielson (D-Calif.).

Marlowe objected to imposition of a "cost-effectiveness" standard for government regulations, even if couched as a recommendation rather than a mandate.

Despite the fact that the Reagan Administration has mandated a cost-benefit test of regulations, he said, there is no "universal calculus" for computing a dollar benefit on health, safety and environmental protections.

AS FOR judicial review features in the pending bills, Marlowe said courts already have adequate powers to deal with regulatory abuses, and enlargement of their role would not be justified or desirable.

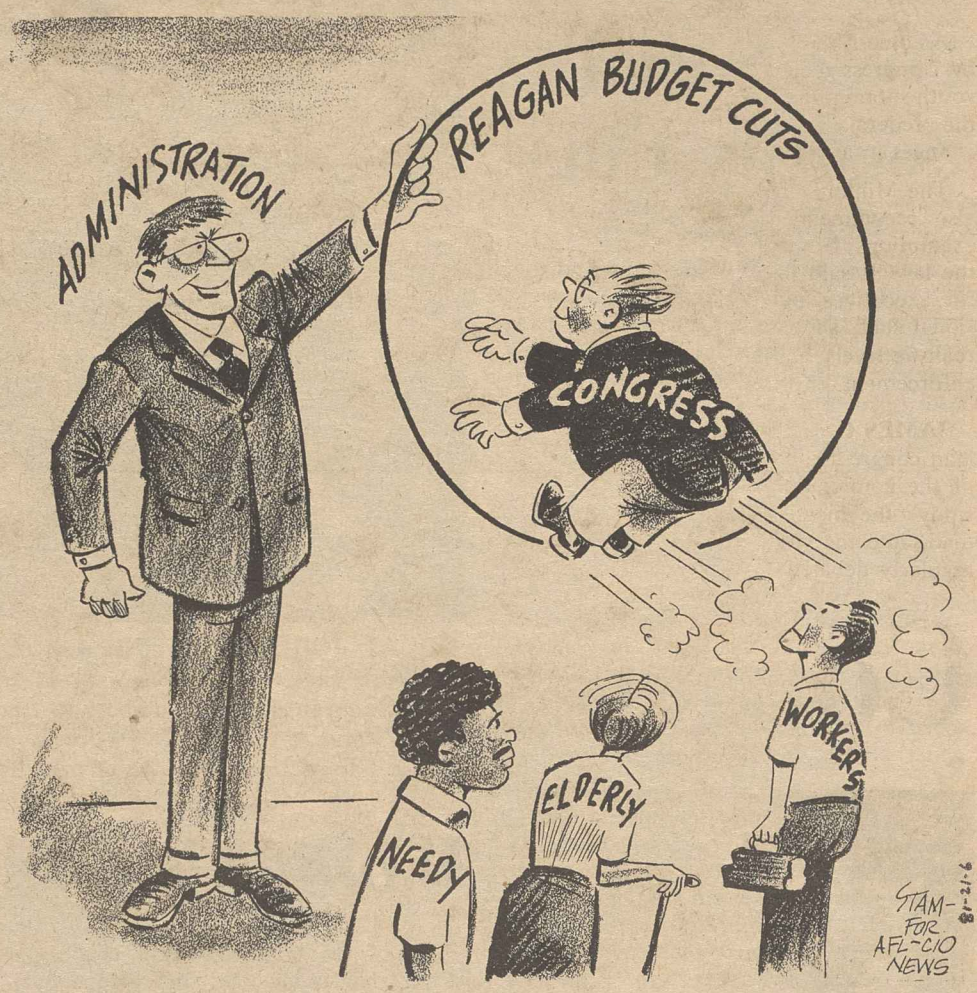
The House version would also allow Congress to overturn a regulation, subject to presidential veto.

This would result in an additional delay of at least 60 days before a regulation could take effect, Marlowe protested.

5/23/81

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'Alley Oop!'



Gain in Economic Growth Fails to Dent Joblessness

The nation's economy grew at a surprisingly strong 8.4 percent annual rate after inflation in the first three months of 1981, the Commerce Dept. said in a revised estimate of first-quarter "real" gross national product.

But AFL-CIO Research Director Rudy Oswald pointed out that workers did not benefit much from the expansion.

"THE GROWTH of the economy during the first quarter was unusually robust, but did not result in any reduction in unemployment," Oswald observed. During the period, the nation's jobless rate remained high at either 7.3 or 7.4 percent.

"Wages and salaries for all employees increased by 3.2 percent during the first quarter, while corporate profits rose by 10.5 percent, reflecting the profit gains attained in current production with adjustments for inventory and depreciation charges," Oswald added.

In addition, the new government report contained figures showing that inflation is still in the double-digit range, and was particularly influenced last quarter by the Administration's sudden decontrol of domestic oil prices.

"The rapid growth of the first quarter is not expected to continue," Oswald said, "and the economy may well turn down in the near future."

THE GOVERNMENT originally reported the first quarter gain in real GNP —the value of the total output of the nation's goods and services after adjustment for inflation—at 6.5 percent. That was on Apr. 20 before all the data for the quarter were available. The new figure, based on more complete information, showed increases in a number of categories, including the value of inventories and net exports.

After adjustment for inflation, GNP rose to a seasonally adjusted $1.516 trillion annual rate in the first quarter from a $1.486 trillion pace in last year's fourth quarter, the new Commerce Dept. report said.

Real GNP last year increased at a 3.1 percent rate in the first quarter, then plunged at a 9.9 percent clip in the second quarter, rose at a 2.4 percent rate in the third quarter, and increased 3.8 percent in the final quarter.

THE REVISED figure of 8.4 percent was the biggest gain since the 9 percent increase recorded in the second quarter of 1978. The revision was the largest on record.

The report also said that prices during the first three months of the year, as measured by the GNP's "implicit price deflator," went up at a 10 percent annual rate, rather than the 7.8 percent pace reported last month. Most of the inflation adjustment reflected revisions in energy prices, the Commerce Dept. said.

In its report on profits, the department said that after-tax corporate earnings increased 2.4 percent during the first quarter to a seasonally adjusted $168.3-billion annual rate. Before taxes, profits rose 3.7 percent to an adjusted $258.1-billion annual rate.

PROFITS FROM current production, adjusted for the effect of inflation on inventory and capital values, rose 10.5 percent to an adjusted annual rate of $202.6 billion, the biggest gain since the 13.2 percent increase in the second quarter of 1978, the report said.

Analysts inside and outside the government believe that GNP figures for the current April-June quarter will be well below those for the first quarter, and some are predicting an actual decline in inflation-adjusted output.



VICE PRESIDENT George Bush is welcomed to the AFL-CIO headquarters by Federation President Lane Kirkland. Bush met with Kirkland and AFL-CIO Vice Presidents John H. Lyons, Sol C. Chaikin, Kenneth T. Blaylock and John J. Sweeney to discuss lines of communication between the Administration and the trade union movement.

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3-Year Study Rejects Youth Subminimum Wage

A blue-ribbon commission established by Congress took a strong stand against a youth subminimum wage and proposed that the federal wage floor be indexed to changes in average hourly earnings.

The Minimum Wage Study Commission also recommended ending most existing exemptions from overtime provisions of the law. It said the salary exemption tests for executives, administrative and professional staffs should be set at higher, more realistic levels, and it urged better-targeted enforcement efforts.

JAMES G. O'HARA, the former Michigan congressman who served as chairman of the commission, termed the three-year study "the most exhaustive inquiry" ever made into the controversial issues that are regularly debated whenever Congress considers changes in the Fair Labor Standards Act.

On the perennial proposal for a lower wage for teenagers covered by the law, O'Hara said an age differential of any sort clearly conflicts "with the basic purpose of the Act and the requirements of social justice."

Six of the eight commission members took a strong stand against a youth subminimum wage, and only one endorsed the concept.

THE MAJORITY included O'Hara; William D. Byrum, a commercial farmer; Jay Foreman, vice president of the Food & Commercial Workers; Clara Schloss, minimum wage consultant to the AFL-CIO; Phyllis Wallace, professor at the Sloan School of Management of Massachusetts Institute of Technology, and Sandra Willett, executive vice president of the National Consumers League. The lone dissenter on that issue was S. Warne Robinson, board chairman of G. C. Murphy Co.

Commission member Michael Wachter, a University of Pennsylvania economics professor, said he does not support a na-

(Continued on Page 3)

Coalition Battles Pension Slash



POLISH TRADE UNION leader Mieczyslaw Gil presents a book on last summer's Gdansk strike in Poland to AFL-CIO President Lane Kirkland in recognition of the federation's support of the Polish independent labor movement, Solidarity. Gil and three other Solidarity representatives were in the United States as observers at the 25th triennial World Congress of the International Metalworkers' Federation. Also shown are IMF Gen. Sec. Herman Rebhan, second from left, and President Eugen Loderer.

At Washington Meeting

IMF's World Congress Salutes Polish Workers

By James M. Shevis

The 25th World Congress of the International Metalworkers' Federation, embracing nearly 14 million free trade unionists, saluted the workers of Poland for their historic achievement in forming the independent labor movement, Solidarity, and pledged continuing support to the fledgling organization.

Held outside Europe for the first time in the 88-year history of the Geneva-based labor secretariat, the congress unanimously approved a resolution expressing "deep admiration" for the Polish workers who defied the Polish Communist Party and struck over rising prices at great personal risk last summer.

"WE WELCOME the creation of independent, democratically accountable and democratically controllable trade unionism in Poland as a major development for the working people of Poland and Polish society and a sign of hope to workers all over the world," the resolution declared. "We are ready to help them in whatever manner they deem most appropriate."

At a press conference, four members of Solidarity who were granted visas to attend the week-long IMF conference in Washington as observers stressed that the greatest need of the Polish workers at this time is for moral support from the West—particularly Western labor unions.

AFL-CIO PRESIDENT Lane Kirkland, lauding the Polish workers for their achievements since last year's wave of strikes rolled over Poland, spoke of the unjust criticism heaped upon the American labor movement for its aid to Solidarity, and assured the Poles that "we intend to continue our support as long as our fellow trade unionists in Poland need and desire it."

Like the IMF, Kirkland observed, the AFL-CIO has been accused of interfering in the internal affairs of Poland because of

(Continued on Page 7)

Bars 'Compromise' Cuts In Social Security Benefits

By David L. Perlman

A coalition representing tens of millions of Americans threatened by the Reagan Administration's attack on social security served notice that it will resist any congressional "compromise" that involves cutting back on promised benefits.

Two former social security commissioners—Robert M. Ball and William Driver—joined leaders of union, senior citizen, religious and consumer groups at a news conference called by the Save Our Security coalition.

BALL, WHO headed the Social Security Administration under Presidents Kennedy, Johnson and Nixon, stressed that the temporary imbalance in the funding mechanism can be overcome without reducing either present or future benefits.

He suggested that the real danger of the "horrendous" Administration proposals is that relief over their rejection might lessen public opposition to other substantial but less drastic cutbacks.

Driver, who recently retired as commissioner, charged the Reagan Administration with trying to hammer a wedge between active workers still contributing to the system and persons receiving retirement or disability benefits. The SOS coalition, he stressed, includes about equal numbers of contributors and beneficiaries in the 35 million to 40 million people its 90 affiliated organizations represent.

AFL-CIO VICE PRESIDENT Jerry Wurf, who represented the federation as well as the State, County & Municipal Employees, told the news conference that labor considers social security "a solemn contractual obligation."

Wurf sharply challenged President Reagan's contention that the nation can't afford to live up to its social security obligations. At the same time Reagan is calling for severe benefit cuts, Wurf noted, "he proposes to give away $54 billion next year mainly to the wealthy and the big corporations through the Kemp-Roth tax proposals and business tax breaks."

Auto Workers President Douglas A. Fraser, whose union has launched a national advertising campaign against the Administration proposal, termed social security "the bedrock on which the well-being of virtually every worker and retiree depends."

EXECUTIVE DIRECTOR William R. Hutton of the National Council of Senior Citizens joined in warning against being taken in by the Administration's declaration that it is willing to discuss a "compromise" of its original proposal.

"Compromise to the Administration means cutting social security benefits anyway," he warned. "If we give a hand, we'll lose the whole arm—piece by piece."

Former Health, Education & Welfare Sec. Wilbur Cohen helped put the coalition together from a framework established during the Carter Administration when several less drastic proposals were rejected by Congress. The various affiliates are taking independent actions to further the common goal. The Senior Citizens, for example, are bringing thousands of members from all parts of the country to Washington for a July 20-22 legislative conference.

NCSC PRESIDENT Jacob Clayman said his organization considers the social security issue "the most important battle of the century."

Ball testified on behalf of the coalition before the House Select Committee on Aging, headed by Rep. Claude Pepper (D-Fla.).

He termed the social security system "a compact between the contributing worker, his employer and the government," with

(Continued on Page 8)

Real Earnings Down for 5th Month

Consumer prices rose a modest four-tenths of 1 percent last month, or at an annual rate of just under 5 percent, but workers' buying power fell again for the fifth straight month.

The Bureau of Labor Statistics reported that the real spendable pay of production and non-supervisory workers declined by a seasonally adjusted one-tenth of 1 percent in April. Real spendable pay — wages minus taxes adjusted for the impact of inflation—now stands 2.5 percent below what it was a year earlier.

FEW ANALYSTS expect the price moderation reflected in the government's April consumer price index to continue. Food prices, which remained at a standstill last month, are generally projected to accelerate in the third quarter of the year, and the recent upturn in interest rates is also likely to further aggravate consumer price increases.

Major banks around the country lifted their prime rate to 20.5 percent from 20 percent, the second boost in the key lending rate in a week. The prime—the interest rate banks charge their best corporate customers—influences other rates, including mortgage interest and other consumer borrowing costs.

The April rise in the CPI brought the index 10 percent above what it was a year earlier.

Besides the stability of food prices, other factors in the abatement in the CPI climb were a rise of only one-tenth of 1 percent in energy prices and a modest pickup in homeownership costs to six-tenths of 1 percent.

Over the year, food prices in April were up 9.4 percent, energy 14 percent, and homeownership costs 10 percent.

BLS said that while the average earnings of all workers in private non-farm jobs last month were $251.34 a week in current dollars, a worker earning the average who had a non-working spouse and two children, brought home "real" weekly pay adjusted for inflation of only $94.24, a 9-cent drop from the previous month.

GASOLINE PRICES fell 1.4 percent in April, and heating oil dropped four-tenths of 1 percent. Gas and electricity were up 1.2 percent, however. Over the year, gasoline prices were up 11.8 percent, fuel oil 24.5 percent, and gas and electricity 14.6 percent.

Home purchase prices dropped by two-tenths of 1 percent, but mortgage interest rates rose 1.7 percent. Rents advanced six-tenths of 1 percent.



JAPANESE AND AMERICAN labor officials gather at AFL-CIO headquarters for the signing of a joint statement on issues of mutual interest. President Lane Kirkland signs for the federation while President Tadanobu Usami signs for the Japanese Confederation of Labor (DOMEI). Representatives of the two federations will meet in Tokyo next year.

Japanese Unions, AFL-CIO Concur on U.S. Job Needs

Representatives of the AFL-CIO and the Japanese Confederation of Labor (DOMEI) agreed that a solution to the serious unemployment situation in the United States—particularly in the automobile industry—should be given the highest priority.

In a joint statement signed by the two labor organizations in Washington following their 13th annual conference, DOMEI expressed appreciation for the voluntary restraints on exports by the Japanese auto industry. For its part, the AFL-CIO viewed the action as "a modest but positive first step," saying that much more needs to be done in the United States to alleviate Detroit's high joblessness.

SPECIFICALLY, the AFL-CIO said that Japanese car producers should build plants and produce vehicles in the United States.

Both organizations recognized that free and fair international trade contributes to economic growth and creates employment which in turn improve the standard of living of workers.

Other mutual trade problems discussed at the four-day meeting included fishery rights, aviation agreements, and the production and export of auto parts, electronics, lumber, and other goods.

Delegates to the meeting took special note of the problems related to American and Japanese companies operating in each other's country, noting that certain Japanese firms operating in the United States are resorting to anti-union tactics.

THE TWO organizations reaffirmed their determination to press these companies to respect workers' fundamental rights to form trade unions and engage in union activities.

In other areas, the labor representatives expressed admiration for the struggle of Polish workers to assert their rights to form free unions under Convention 87 of the International Labor Organization. They also expressed concern over the moves of various Asian governments to restrict trade union participation in international labor organizations.

DOMEI said it welcomed the prospect of the return of the AFL-CIO to the International Confederation of Free Trade Unions, saying it would strengthen the cause of free trade unionism throughout the world.

ALSO, THE two groups agreed to present the statement on trade unions issued by the Trade Union Advisory Committee of the Organization for Economic Cooperation & Development to the heads of state in their respective countries prior to the OECD summit meeting in Ottawa, and to make that statement public. They further endorse a post-summit TUAC meeting.

The two federations agreed to hold the next regular meeting of their representatives in Tokyo in 1982.

Following the signing of the joint statement, DOMEI President Tadanobu Usami announced that the Japanese labor federation would contribute $3,000 to a scholarship fund established early this year for the son of Michael Hammer, staff representative of the American Institute for Free Labor Development killed in El Salvador.

REPRESENTING the AFL-CIO at the conference were President Lane Kirkland and Vice Presidents Murray H. Finley, Charles H. Pillard and William H. Wynn; International Affairs Director Ernest S. Lee; Research Director Rudy Oswald; Dale Good, assistant to the AFL-CIO President; Economist Elizabeth Jager; International Affairs Rep. James N. Ellenberger; Executive Director Morris Paladino of the Asian-American Free Labor Institute, and George Poulin, Vice President of the Machinists.

NLRB Orders Runaway Firm to Honor Contracts

Marine Optical, Inc., target of an AFL-CIO-backed consumer boycott, must honor its union contracts and bargain with its employees, the National Labor Relations Board has ordered.

The NLRB upheld the January decision of an administrative law judge that the runaway Massachusetts company was guilty of unfair labor practices in 1979 when it shifted its operations from one plant to another 17 miles away, welched on its existing three-year contract with Electrical, Radio & Machine Workers Local 408 and refused to negotiate with the union despite a 25-year bargaining relationship.

The order also calls for reimbursement of lost pay and benefits to all affected workers plus interest over the period since the company's move.

The eyeglass-frame manufacturer violated the National Labor Relations Act, the board ruled, when it refused to live up to the terms of its 1977-80 contract with the optical workers' local, unilaterally changing wages and working conditions and refusing to negotiate a new agreement.

The decision affirms the IUE's position that it never lost representation rights for the company's workers. Many workers had relocated at the new facility and were performing "the same work for the same company," the IUE pointed out.

Robert Searby Named to International Labor Post

Labor Sec. Raymond J. Donovan named Robert W. Searby, 34, a former management consultant, as deputy under secretary of labor for international affairs.

Searby, a native of New York, will head the Labor Dept.'s Bureau of International Labor Affairs. The bureau assists in formulating international economic and trade policies affecting American workers. It also administers the trade adjustment assistance program under the 1974 Trade Act, which provides special benefits for workers adversely affected by import competition.

AIFLD Board Drafts Program, Elects Officers

The board of directors of the American Institute for Free Labor Development approved the institute's 1981-82 program and elected officers at its annual meeting.

AFL-CIO President Lane Kirkland continues as president of the organization, the federation's foreign-service arm in Latin America and the Caribbean area. Communications Workers President Glenn E. Watts was re-elected secretary-treasurer, and Plumbers & Pipe Fitters President Martin J. Ward was chosen vice president.

THE BOARD changed its bylaws to restructure the organization's governing body. The change reduced the size of the board from 34 to 25 members, eliminating the positions of chairman and vice chairman, and stipulated that the board be composed of only U.S. and Latin American trade union representatives.

Those from the business community who had previously served on the board received the AFL-CIO's thanks, and outgoing Chairman J. Peter Grace said that they would continue to perform in a "friendly and supportive capacity."

New members of the board are Teachers President Albert Shanker and Food & Commercial Workers President William Wynn. William C. Doherty, Jr., was re-elected AIFLD executive director.

THE DIRECTORS unanimously approved a resolution expressing AIFLD's "shock and sorrow" over the deaths of staff members Michael Hammer and Mark Pearlman in El Salvador last January. The two AIFLD representatives were gunned down in San Salvador where they had been assigned to assist in El Salvador's land redistribution program.

Regardless of what follows in El Salvador, the resolution said, "Mike's and Mark's real work, which is invested in the soul of the people they loved and helped, will endure."

Labor Press Threatened by Postage Costs

The prospect of "sudden death" faces many labor newspapers if Congress does not continue the stretch-out of postal rate increases for non-profit publications.

That warning was sounded by President James M. Cesnik of the International Labor Press Association in testimony on the Reagan Administration's budget proposals before the House Post Office & Civil Service Committee.

CESNIK TOLD the committee that the postage paid by labor papers will more than double on Oct. 1 if Congress agrees with the Administration's plans. That proposal would end the subsidies that support step-by-step postage increases for non-profit publications over a seven-year period. An end to the phasing will mean "unbearable" rate hikes for labor publications, Cesnik said.

Current law allows Congress to appropriate funds to cover "revenue foregone" by the U.S. Postal Service for the period of the phasing.

Cesnik, who is editor of the Guild Reporter published by the Newspaper Guild, pointed out that rates for second-class non-profit publications have already increased about 1,800 percent since 1971, the largest percentage increase for any class of mail.

MANY LABOR publications have been forced to cut back sharply on frequency or cease publishing altogether, Cesnik noted, and this has meant a loss in volume to the Postal Service of some 65 million pieces of mail a year. About 100 million more pieces could drop out of the system if the rates force more unions to cut back their journals, he estimated.

Publications searching for ways to stay afloat may also turn from second class to currently cheaper third-class rates, Cesnik said. Although delivery standards for both classes are identical, third class is more likely to be diverted or delayed, he noted.

If the second class non-profit classification is destroyed, Cesnik said, "the class of mail Congress established for the free flow of information so vital to our democracy will be beyond the financial means of non-profit publishers."

THE ILPA HAS represented the labor press in many proceedings before the Postal Rate Commission and the Commission on the Postal Service, but these cases represent a financial drain of "immense proporations" on the limited resources of the association, Cesnik told the committee.

The ILPA, whose members are publications of AFL-CIO and Canadian Labor Congress organizations, was successful earlier this year in persuading the Postal Rate Commission to extend pre-sort discounts to non-profit mailers for the first time.

Top Company Executives Average 13.8% Pay Boost

Good times. Bad times. Bigwig businessmen seem to take home big pay regardless of the state of the economy.

A Business Week magazine survey of 508 executives at 252 companies showed that total executive compensation last year rose 13.7 percent, with salary increases alone averaging 13.8 percent.

Compensation tended to increase whether or not company performance was good, the study showed. Firms whose profits were down boosted executive compensation an average of 6.5 percent, while in companies with profit gains total compensation for executives increased an average of 17.3 percent.

Of the 25 highest paid executives, none earned less than $1,455,000 in 1980, and six received more than $3 million each.

Eleven of the top 25 executives on the 1980 list were with oil or oil-related companies. The majority of the earnings were, as last year, derived from stock options.

Due to the flat market of recent years, however, companies are coming up with different plans to entice top executives and concentrate on long-range benefits such as bonuses and restricted stock plans based on internal objectives and employment time, the magazine pointed out.

Wage Floor Indexing Urged

3-Year Study Opposes Subminimum Youth Pay

(Continued from Page 1)

tional youth subminimum but would allow "local experimentation."

The commission was mandated by Congress in 1977, when the wage-hour law was last amended. Two members were appointed by each of four Cabinet members: the Secretaries of Health & Human Services, Labor, Commerce and Agriculture.

Advocates of a youth subminimum wage have contended that such a step would reduce the high rate of teenage unemployment, but the commission said any such impact would be small and would be balanced out by a more damaging increase in adult unemployment.

WITH THE passing of the "baby boom" generation into adulthood, teenage unemployment is likely to lessen in any event, the panel noted.

Further, the commission stressed, a youth differential would violate the principle of equal pay for equal work.

"If suggestions were made that the very real employment problems of women or members of minority groups should be 'solved' by paying them less for their labor, such a proposal would be rejected out of hand as fundamentally unjust. We can see no difference in principle between such proposals and those based on age," the commission declared.

The report noted the serious erosion of minimum wage standards by double-digit inflation and the economic problems when Congress tries to catch up through amendments to the Fair Labor Standards Act.

AFTER CONSIDERING a number of studies of various types of indexing, the commission's conclusion was that the minimum wage should be linked to average hourly earnings in the private economy and adjusted each year on the basis of the previous year's overall rate of change in the index. It recommended an index that would include farm wages.

The commission found that "regular and predictable increases in the miuimum wage would be non-inflationary and would be easier for business to adjust to than the irregular increases of the present system."

Statistically, the commission found that some 10.6 million workers had jobs at or below the minimum wage level last year, and 69 percent of them were not teenagers.

IT FOUND that 18 percent of female workers did not get paid more than the minimum wage, compared to 8 percent of all males. For blacks, 18 percent were at or below the minimum wage compared with 11 percent of white workers. By region, the South had the highest rate of low-paid workers, 15 percent.

The commission recommended ending or phasing out exemptions for various groups, including cotton gin and sugar processing establishments, employees of small town radio and television stations, low-circulation newspapers and motion picture theaters, and of national park concessions.

It took note of the fact that the salary test for exemption of executives and administrators from overtime pay requirements is an unrealistically low $155 a week. A long-delayed adjustment to raise the cutoff to $225 a week was proposed by the Carter Administration but blocked by the Reagan Administration last February. The commission said the overtime exemption salary test for managers should be raised to its earlier ratio of about twice the minimum wage, which currently would put it at $268 a week.

The commission noted that compliance with the wage-hour law has been weakest in retail trades and services, accounting for almost two-thirds of all illegal minimum wage and overtime underpayments.

It termed the overall level of noncompliance with the Fair Labor Standards Act unacceptably high and recommended that Congress stiffen the penalties for violations and allow class action suits by workers who have been shortchanged.



UPDATED LEAFLET on state workers' compensation and unemployment insurance laws is reviewed by Associate Director Larry Smedley and Arleen Gilliam of the AFL-CIO Dept. of Social Security. Gilliam, who recently joined the department's staff, specializes in workers' compensation and jobless benefits.

Surge in TV Imports Poses New Threat to Output, Jobs

A steep rise in Japanese television set imports during the first quarter of 1981 is posing a new threat to domestic TV makers and workers, a union-industry coalition warned in a brief filed with the International Trade Commission.

The Committee to Preserve American Color Television (COMPACT) cited Commerce Dept. data showing that completed TV sets from Japan flowed into the United States at an annual rate of 960,000 units, an increase of nearly 170 percent from the first three months of 1980.

AT THE SAME time, picture tube imports from Japan jumped 120 percent over the year-ago quarter, COMPACT pointed out.

The coalition also charged in a letter to U.S. Trade Rep. William E. Brock that the new surge in shipments from Japan violates an "informal understanding" that the imports would be held to 400,000 units a year.

That understanding was negotiated last year when the United States allowed an orderly marketing agreement (OMA) with Japan to expire.

"WE ARE concerned that the Japanese are not living up to the understanding which was reached last summer," the coalition said in its letter to Brock. "This is particularly important since the Korean and Taiwanese OMAs were based in part upon their expectations as to Japanese imports."

The original OMA with Japan was negotiated by the Carter Administration in 1977 when import penetration in the U.S. color TV market approached 50 percent, causing a series of plant closings and extensive layoffs. Subsequent surges in imports from Korea and Taiwan resulted in OMAs with those two countries last year.

COMPACT, which is composed of 11 labor organizations and four U.S. television set and component makers, contends that the OMAs would not have been necessary had government enforced the 1971 dumping finding that Japanese sets were being sold in the United States well below their price in Japan.

THE U.S. Customs Service estimated in 1978 that dumping duties owed by Japanese manufacturers and their American importers then totalled $400 million and COMPACT says these have since risen to $600 million.

But only a fraction of the duties have been collected, and the Commerce Dept. sought in April 1980 to wipe out more than 80 percent of the fines with a $68 million settlement. Two court injunctions blocked the Commerce Dept.'s proposal.

The Trade Commission is expected to rule by June 21 on a petition by Japanese TV makers to set aside the 1971 dumping finding.

COMPACT members include the AFL-CIO Industrial Union Dept., Allied Industrial Workers, Communications Workers, Flint Glass Workers, Furniture Workers, Glass Bottle Blowers, International Brotherhood of Electrical Workers, the Electrical, Radio & Machine Workers, Machinists, Steelworkers and the unaffiliated Radionic Workers, along with Corning Glass Works, Owens-Illinois, Inc., Sprague Electric Co. and Wells-Gardner Electronics Corp.

Right to Franchise Agents Upheld for Actors' Equity

The Supreme Court has unanimously upheld the right of Actors' Equity to require that theatrical agents representing Equity members must be franchised by the union.

Equity's franchising system, dating back to 1928, requires agents who seek to represent its members to agree to limit their commissions to specified levels.

One important requirement is that an agent's commission can't reduce the actor's net salary below Equity's negotiated minimum scale.

A GROUP OF dissident agents challenged the franchising system in court as a violation of federal antitrust laws, but lost both in federal district court and in the 2nd Circuit U.S. Court of Appeals.

The AFL-CIO supported the union's position before the Supreme Court, arguing that the conduct being challenged is a legitimate exercise of union discipline intended to prevent a form of wage undercutting.

The Supreme Court agreed. The decision by Justice Potter Stewart noted: "The peculiar structure of the legitimate theater industry, where work is intermittent, where it is customary if not essential for union members to secure employment through agents, and where agents' fees are calculated as a percentage of a member's wage, makes it impossible for the union to defend even the integrity of the minimum wages it has negotiated without regulation of agency fees."

BUT THE COURT struck down a requirement that licensed agents pay the union a franchising fee, even though the fee merely covered the union's cost of administering the program.

Justice William J. Brennan, Jr., joined in part by Chief Justice Warren E. Burger and Justice Thurgood Marshall, differed on that point. Brennan said he agreed with the appellate court's conclusion that the approximately $12,000 a year that Equity collects in fees from agents is reasonable in view of the need for a full-time employee to administer the system.

New Pamphlet Details Issues in Last Congress

The AFL-CIO Dept. of Legislation has compressed the record of the 96th Congress on issues affecting labor into a 107-page pamphlet, The People's Lobby, which includes tabulations of the voting records of House and Senate members.

An introduction by Legislative Director Ray Denison stresses the importance of "grass-roots lobbying" by union members.

"Unless workers take the time to write, call or visit their lawmakers, thanking and encouraging them when they are right and criticizing them when they are wrong, the legislative interests of workers will suffer," Denison warns.

The report covers both the 1979 and 1980 sessions of Congress. Copies of The People's Lobby, Publication No. 77U, are $1 each or $90 for 100, from the Pamphlet Division, AFL-CIO Dept. of Information, 815 16th Street, N.W., Washington, D.C. 20006.

Court Ruling Permits Suit Over Fair Representation

The Supreme Court has ruled 5-4 that a worker fired for misconduct can sue both his employer and his union under certain conditions without first seeking redress through the union's internal appeals procedure.

The majority's reasoning, in the case decided by the court, was that since the worker who brought the suit couldn't get his job back through the union appeals system, he could not be required to use that system.

IN THE SPECIFIC case, the UAW represented a worker who had been fired for violating a company rule against indecent behavior and decided that the facts did not justify taking the dismissal to arbitration.

The court majority held that because the 15-day time limit for bringing a grievance to arbitration had run out, the worker had a right to file a suit both against the employer charging wrongful dismissal and against the union charging that it breached its legal obligation to provide him fair representation. It reversed two lower courts in doing so.

However, a footnote to the Supreme Court opinion by Justice William J. Brennan, Jr., indicated that a worker could be required to exhaust an internal union appeals procedure if the union's contract with his employer specified that a grievance could be reactivated on the basis of a decision by a union appeals board.

THE AFL-CIO had filed a brief in the case contending that the issue of a union's statutory duty of fair representation could not arise because the union's action could not be considered final so long as there was an opportunity for reversal through union procedures.

Two of the dissenters, Justice Lewis F. Powell, Jr., and Chief Justice Warren E. Burger, said the AFL-CIO brief presented a solution "that is consistent both with national labor policy and relevant precedents."

Social Security Sabotage

IT DIDN'T TAKE long for the Reagan Administration to discover that it had stung grass-roots America out of complacency with the enormity of its proposed cutbacks in social security protection.

A unanimous Senate quickly declared its opposition to the chief ingredients of the Administration plan, differing only on how strongly to word the resolution of rebuke. In the House, even the President's most faithful supporters moved to dissociate themselves from the Administration position and reassure worried constituents.

All this is good news—to a point.

It means that millions of Americans now have experienced first hand the Reagan Administration's approach to social issues. Perhaps they and their representatives in Congress will take a closer, more critical look at the Administration's harsh budget decisions.

IT HAS GIVEN a strong stimulus to the broad-based Save Our Security coalition, whose leaders have the intimate knowledge of the social security system that is needed by advocates in the legislative battles still ahead.

As the coalition realizes, it is far too early to declare victory and fold the tents.

Congress may have made clear that it isn't immediately going to slash benefits of those who retire at age 62 by some 40 percent. But it has made no commitments not to cut back on benefits, not to further toughen eligibility for disability payments, not to change the formula for computing benefits so as to reduce everyone's payments in the future. It has not even committed itself not to wipe out a meager burial expense allowance.

SO WHEN the White House sends word to Capitol Hill that it is ready to talk "compromise" on social security changes, it should be clear that this will not be a message of surrender.

To the Administration, compromise means something between the social security rights that workers and retirees now have and the horrendous reductions the President originally sought.

In any such "compromise," persons counting on social security protection can only lose.

As the SOS coalition has demonstrated in congressional testimony and statements, the social security system is not in imminent danger of financial collapse as the Administration scare tactics would have us believe. If fact, there would not even have been the short-term imbalance the trust funds face if the unemployment rate in recent years had been at normal rather than recession levels, and if wages had kept pace with price advances.

Even with this imbalance, the immediate funding problem can be alleviated with modest changes in the allocation of the social security payroll tax, and the system can be strengthened over the long term by any of a variety of proposals to supplement the payroll tax with general revenue funds.

This, clearly, is what Congress should do.

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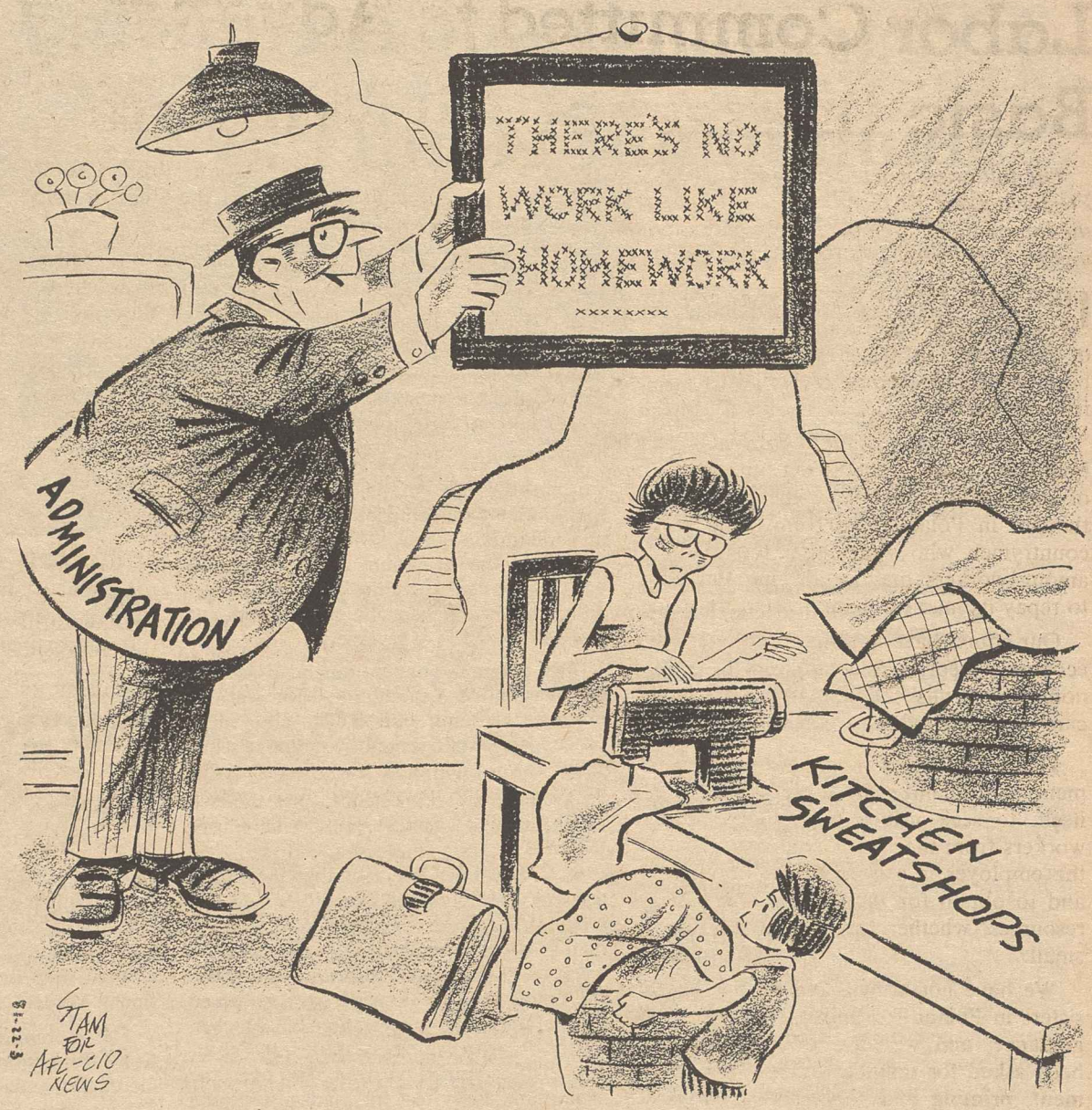
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'Have a Nice Day!'



Troubles Mount for Urbanites

Reagan Cuts Push More Cities Toward Brink of Bankruptcy

By Gus Tyler

IF YOU LIVE in a city of more than 10,000, the chances are that you are in for big trouble. It will be your money or your life and maybe both.

It all starts with what looks like the smart thing to do: cutting the budget in Washington to reduce federal assistance to local governments. The idea is to save money, to cut down borrowing, to reduce taxes.

But nothing of the kind is likely to happen, according to data gathered by the Joint Economic Committee of Congress in the first extensive survey of the financial plight of America's cities.

RIGHT NOW, more than half the cities with populations of 10,000 or more are running in the red, spending more than they are taking in for operating expenses. When President Reagan's proposed budget cut goes through, says the survey, it will put more municipal governments "on the brink of bankruptcy."

Now what are the ways in which these local governments can avoid going broke?

They can cut services; they can ask for money from the states; they can raise your taxes, or they can borrow. Now let's see how each of these will affect you:

Cut services. To balance its budget, New York City—to take one instance—cut its police force. Result: burglary complaints rose last year but arrests fell. Citizens lost $339.6 million and only 6.7 percent of burglary cases were closed. Cutting services is cutting your income and maybe your throat.

Get aid from the state. But the states are "themselves fiscally strained and incapable of providing the necessary revenues," says the survey.

SO THE CITIES will have to increase local taxes to make ends meet. This means that whatever you expect to gain through a reduction in federal taxes—if you really get a reduction—will be lost through an increase in local taxes.

In some cases, you will pay a higher local tax without even knowing it. You will be charged for services that were once free.

The cities might try borrowing. Here there are many pitfalls.

First, if a city is in financial trouble, it does not find it easy to get loans. And when it does, the interest rate is high because the risk is high. As a consequence, a city that borrows when it is in trouble just borrows more trouble.

Second, if a city borrows, that borrowing has the same impact on the nation's finances as when the federal government borrows. If it is unwise for a government to go into debt, then what difference does it make if that government is in Washington or in your backyard?

For the city dweller, things look "grim," says the survey. "Short of imperiling the health and safety of its residents, cities will have to raise taxes, user charges and fees to compensate for diminished federal assistance."

It's your money or your life.

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An IMF Salute to the Workers of Poland

We, the representatives of nearly 14 million metalworkers, place on record our deep admiration for the workers of Poland in their historic achievement in forming the independent self-governing union, Solidarity.

We welcome the creation of independent, democratically accountable and democratically controllable trade unionism in Poland as a major development for the working people of Poland and Polish society and a sign of hope to workers all over the world.

We now pledge our continuing support for the workers of Poland. We are ready to help them in whatever manner they deem most appropriate.

We salute the workers of Poland and wish them every success in the historic task they have embarked upon.

—From a resolution adopted by the 25th World Congress of the International Metalworkers' Federation, Washington, D.C., May 26, 1981.

Kirkland Tells IMF

Labor Committed to Advancing Basic Interest of All Workers

The following is from an address by AFL-CIO President Lane Kirkland to the 25th Congress of the International Metalworkers' Federation, Washington, D.C., May 25, 1981.

LIKE THE INTERNATIONAL Metalworkers' Federation, the AFL-CIO has been accused of interfering in the internal affairs of Poland because of our response to Solidarity's appeal for fraternal assistance.

We have been catching it from all directions—both from those in the Soviet bloc who accuse us of seeking to contaminate the purity of Marxist thought in Poland, and from some of our own countrymen who worry that too much freedom among workers may undermine Poland's ability to repay its massive debts to western banks.

Our efforts have nothing to do with political or economic theories. We care very little about who nominally owns the means of production. We care very much about who owns the unions.

IT IS THE mission of the trade union movement to humanize the society in which it finds itself, to seek justice and equity for individual workers from their employers, no matter whether the employer is a corporation or a government, and to obtain for them a fair share of available resources, whether those resources are large or small.

We have not been asked by our brothers and sisters in Poland for political advice or economic guidance, and we have offered none. We have been asked for tangible things—for office equipment, printing and reproduction machines, and even for paper to write on—and we have supplied them.

We have been asked for moral support and that, in concert with the IMF and the rest of the international free trade union movement, we have supplied with enthusiasm. We intend to continue our support as long as our fellow trade unionists in Poland need and desire it.

For the same reasons, we will continue the trade union support that has been asked of us by our brothers and sisters in El Salvador.

THE WORKERS of that country, who have asked for and received our support, are victims caught in a crossfire from both left and right. They are terrorized by upholders of ancient privilege, monopoly ownership and class rule on the one hand, and by doctrinaire revolutionists who thrive on social turmoil and economic chaos on the other.

Both sides are determined to rule or ruin. Both sides use equally brutal and inhuman methods. Both sides look upon a free trade union movement as an obstacle that must be destroyed at any cost.

The gunmen who last December murdered two representatives of the AFL-CIO, Michael Hammer and Mark Pearlman, and the president of the Salvadoran farmworkers' union, Jose Rodolfo Viera, proved to be agents of the right. But the distinction is immaterial.

THEY WERE murdered beacuse the land reform on which they were working is designed to improve the lives of hundreds of thousands of farm families and to lay the foundations of a stable, democratic society that can resist any and all slavemasters. And that is why the AFL-CIO will continue to support this program.

Our role in such matters is by no means a new departure for us. From the beginning, we have reached out to our brothers and sisters in other lands.

We are proud of the work of our three overseas arms, the African-American Labor Center, the Asian-American Free Labor Institute, and the American Institute for Free Labor Development.

OUR PRIDE in these activities arises from our conviction that trade unionism, in and of itself, is a positive good in the world, a force for economic and social justice, for individual liberty and self-respect, and ultimately for more peaceful relations both within and among nations.

We are well aware of the shortcomings of our own society and of the need to pursue the fight for justice in the legislative halls and at the bargaining table.

In its one-hundredth year, the American labor movement is challenged to prevent the wholesale destruction of a wide range of vital social programs that have been slowly and painfully developed over the last half-century.

We are told that the forces ranged against us are irresistible, that we may as well save our energy, sit back, and wait for a change in the political weather. We have no intention of doing that.

The AFL-CIO was built for the long haul. The handful of hopeful and determined trade unionists who gathered in Pittsburgh in November 1881 to lay its foundations knew what they were doing. They were crafting an instrument for the assertion of basic human rights and for the defense and enlargement of those rights.

WE ARE NO strangers to adversity. Many times over the last century, we have faced worse odds and more intransigent opposition than we see today. Our instrument has not only survived, it has grown and it is today, in most of the ways that matter, sturdier, more flexible, and more capable than ever before.

Busy as we are defending the interests of workers here at home, we have no intention of turning inward and withdrawing from our obligation to participate in the work of the international free trade union movement.

We intend to make ourselves heard on every issue that affects workers in this country and all countries. And we have every confidence that the IMF and its affiliates will do the same.

Reagan Reneges on Promise

Attack on Social Security Dims Workers' Retirement Outlook

RETIREMENT PLANS of every working American will suffer a sharp setback if the Reagan Administration's drive succeeds in making sweeping changes in the social security program, AFL-CIO Social Security Director Bert Seidman warned on Labor News Conference.

The broad cuts that the President is urging Congress to approve would reduce the benefits of all future retirees with the most drastic slashes zeroed-in on workers who, because of poor health or job displacement, are forced to retire before age 65, Seidman stressed. He pointed out that the pensions of early retirees would be cut nearly in half, "from the present 80 percent of a normal benefit to less than 50 percent."

Reagan "is going back on a promise that he made during the campaign not to touch the social security system," Seidman said. He noted that the abrupt switch has drawn "a violent outcry" from both active workers and retirees as they see the protections they have worked for and paid for threatened by unnecessarily harsh steps to correct financing problems.

Seidman charged that the Administration's assault on social security is part of its attempts to manipulate the federal budget. Social security is intended to "provide protection for people over the long term," he asserted, and major decisions affecting the system "ought not to be made on the basis of short-term budget considerations."

He renewed the call for partial financing of social security from general federal revenues, which would deal with both the immediate and future problems. He said that a measure now before Congress to pay for half of the Medicare program with general revenues and the rest through payroll taxes, which is strongly supported by the AFL-CIO, would be a major step toward that goal.



By Press Associates, Inc.

FOR ALL THOSE who might be wondering, the tooth fairy is alive and well and advising the Secretary of Labor.

That's the only explanation for the recent proposal to legalize industrial homework and revive "cottage" industries.

According to the Ladies' Garment Workers, the last decade has seen a resurgence of the sweatshop in cities such as Los Angeles, New York, Chicago and Miami, as well as in New Jersey and along the Mexican border. Hard-won union gains are being eroded and undermined as more and more work moves from the factory into the home.

THIS IS HOW the ILGWU describes the situation:

"Homeworkers receive no benefits or social security. They absorb the costs of electricity and rent. The employer supplies them with work, but not with a sewing machine.

"Homeworkers are alone and isolated, unable to compare their earnings or conditions with those of other workers, powerless to protest against low piece rates of 'bad' (poorly cut) goods, on their own if an accident should occur.

"Employers are in a position to dictate the price to be paid to individual homeworkers, and can hire and fire at will."

What's more, the union points out, homework and child labor go hand in hand. Working long hours, homeworkers often let a child or teenager relieve them while they rest or take care of other chores.

THE ABUSES are the traditional abuses. Homeworkers are cheated on the amount of work done, fake deductions are made from their pay and there is no recourse.

The Jewelry Workers Division of the Service Employees also reports a high incidence of illegal homework, especially in Rhode Island where costume jewelry manufacturing is concentrated.

A full day's work can be transported in a shopping bag and jewelry homeworkers on piece rates make about $1 to $2 an hour while working long hours, the union said.

At the turn of the century, immigrant families were exploited so badly in their sweatshop tenements that several states stepped in to regulate homework.

A FEDERAL ROLE was created with passage of the Fair Labor Standards Act of 1938, the wage-hour law. Because homework threatened to undermine the minimum wage, in the early 1940s homework was prohibited in seven light industries: women's apparel, knitted outerwear, embroideries, buttons and buckles, gloves and mittens, handkerchiefs, and jewelry. Exceptions were provided for the elderly or disabled, however.

The FLSA amendments adopted by Congress in 1949 incorporated the homework regulatory authority into federal law.

On May 1, Labor Sec. Raymond Donovan suddenly announced he planned to lift the restrictions against homework in the seven industries. Donovan saw this as opening up job opportunities in many "cottage" industries and encouraging homeworkers to report minimum wage violations "without fear of losing their jobs."

THE PROBLEM of sweatshops in the home and their devastating effect on legitimate business operations remain a problem of the cities and the exploitation of immigrants, legal and illegal.

With the Administration cutting back on wage-hour enforcement and with its inability or unwillingness to enforce the law against homework, Donovan is saying that what is now illegal shall be made legal. Problem solved.

To talk about opening up jobs in "cottage" industries is romantic nonsense. To expect exploited and vulnerable homeworkers to turn in their outside employers is naive in the extreme.

The ILGWU believes Donovan is violating federal law in removing the prohibition on homework. Donovan believes he has the authority to do so. And that's where the issue stands.



SWEEPING CHANGES in social security pushed by the Reagan Administration could wreck the retirement plans of every working American, AFL-CIO Social Security Director Bert Seidman, center, warned on Labor News Conference. He was questioned by William Steif, left, of the Scripps-Howard Newspapers and Ben Rathbun of Daily Labor Report. The public affairs interview is aired weekly on Mutual radio.



LABOR OF LOVE is presented by its maker, 93-year-old Rose Lapidus, to AFL-CIO President Lane Kirkland during a celebration honoring labor's 100th anniversary at the Workmen's Circle Home & Infirmary for the Aged. A resident of the home, she is a long-time member of the Ladies' Garment Workers. Joining the presentation are ILGWU President Sol C. Chaikin and Clothing & Textile Workers Sec.-Treas. Jacob Sheinkman. Ceremonies at the Bronx, N.Y., facility included dedication of a pavilion named in honor of George Meany.

Kirkland Challenges Claim Of Voter Mandate for Cuts

New York—AFL-CIO President Lane Kirkland took sharp exception to the Reagan Administration's claim of a popular "mandate" that justifies its deep cuts in aid and protections for workers and the needy.

Kirkland, speaking at the Workmen's Circle Home & Infirmary for the Aged, said the signal from the voters in the last election was for change, but change that moves "forward, not backward."

The labor movement respects the past, "but we have no desire to relive it." he told guests at the geriatric care facility's celebration of organized labor's centennial.

THE EVENT included the dedication of a pavilion at the home named in memory of George Meany, who was born in the Bronx near the site of the facility.

Kirkland scored the Reagan Administration's proposed cutbacks in social security. pointing out that at no time during the campaign did Reagan promise the voters that "if he were elected President, millions of Americans and their dependents who have been counting on social security benefits—particularly those forced to take early retirement because of illness or other forces beyond their control—would find their benefits cut, their hopes dashed."

Nor were voters ever given a choice on the Administration's efforts to dismantle the unemployment compensation, system, worker safety and health laws or other protective legislation such as the prohibition against industrial home work, Kirkland stressed.

"I DO NOT believe that the American people voted for this kind of 'change,'" he said. "I do not believe they were rejecting the life's work of George Meany."

Meany was "more than a trade union leader, he was spokesman for American workers whether they carried a union card or not," Kirkland averred, "and he spoke for the poor, the underprivileged, the oppressed and for any people in any nation who were fighting for dignity, justice and freedom."

Chairing the ceremonies, Sec.-Treas. Jacob Sheinkman of the Clothing & Textile Workers pointed to the long history of cooperation between the Workmen's Circle and organized labor and called for a strengthening of that bond.

DESCRIBING THE work of the home in caring for the elderly pioneers of the labor movement, Sheinkman said:

"The problem of the proper care of our aged will not be fully answered by this home. Nor will it, in all probability, be answered fully in our lifetime. We will, in the end, be judged by what physical, cultural, emotional sustenance we provide those who sustained us when we were young. We will be judged by the quality of life we afford those who provided us with life."

President Sol C. Chaikin of the Ladies' Garment Workers reminded the audience that "the labor movement in each generation had added to the well-being of workers and their families. And the Workmen's Circle, a mutual self-help group, has been a willing and eager partner."

Among other speakers were Frank Brown, organizational director of Auto Workers District 65; ACTWU Vice President Murray Goldstein, chairman of the trade union council for the home, and ACTWU Regional Director Jerry Landman, president of the home.

Continued U.S. Share Of Food Cargo Urged

The AFL-CIO has urged members of the House Foreign Affairs Committee to reject an amendment that would abolish the cargo preference provision of the Food for Peace program.

Under present law, half of U.S. food assistance to other nations must be shipped in American-flag vessels. When the House Foreign Affairs Committee takes up legislation to renew the foreign assistance program, Rep. Millicent Fenwick (R-N.J.) is expected to offer an amendment to repeal the cargo preference.

In a letter to committee members, AFL-CIO Legislative Director Ray Denison warned that such action would further weaken the nation's merchant fleet.

Denison said it would "increase our dependency on foreign nations for U.S. overseas commerce and result in layoffs of thousands of workers at a time of already high domestic unemployment."

He also noted that "similar cargo preference requirements are routinely imposed by most other nations."

Convention Boosts Per Capita

Novelty Workers Shape Membership Program

Miami Beach, Fla.—A program to muster labor's strength to meet the major challenges of the 1980s was given top priority by delegates to the Novelty Production Workers' convention here along with a per capita increase to finance it.

President Julius Isaacson, underscoring the need for legislation to strengthen and protect workers' rights, took the Reagan Administration to task for policies "hell-bent to destroy labor's gains." Isaacson pointed to the recent attacks on job safety and health regulations, wage and hour protections, social security and the rights of women and minorities.

DELEGATES approved a series of resolutions calling for stepped-up bargaining for voluntary COPE contribution checkoffs, tougher successorship agreement laws, improved protections for workers affected by plant closings and imports, all-out efforts against "right-to-work" laws, prohibitions on the use of lie detector tests and strikebreakers, and retention of prevailing wage laws.

Appealing for intensified organizing efforts, Isaacson reported that despite continued problems with imports and runaway shops, 40,000-member union had posted a 20 percent growth in membership and significant contract gains in wages and benefits since its last convention in 1976.

The 335 delegates approved an increase in the monthly per capita payment to the international from $1.85 to $2. Local unions were authorized to increase monthly dues from $8 to $10. Both actions take effect in June.

ISAACSON AND Sec.-Treas. John Serpico were elected by acclamation to their second full five-year terms. The union's five vice presidents and 12 executive board members were also unanimously re-elected.

In his remarks to the delegates, Isaacson called for a comprehensive national policy to combat the damage done to workers and industries by imports and dumping. The union, formerly called the Doll & Toy Workers, was one of the first to be severely hurt by imported products, he pointed out.

"What has happened to baseball," Isaacson said, "dramatizes the effect of imports. Our great American pastime is played with balls from Haiti, shoes from Spain, uniforms from Japan and even under American flags made with textiles from Japan."

Seafarers' President Frank Drozak told the delegates many government officials "seem to have a religious hang-up on the idea of free trade, yet when it is time to protect American workers from foreign imports, we have yet to see our government hold out much of a social safety net."

AMONG THE 48 resolutions adopted during the convention were measures supporting passage of the Equal Rights Amendment, a fair immigration policy, a consistent national energy policy, a reindustrialization program for American industry and congressional investigation of the activities of union-busting consultants.

The delegates called on the Reagan Administration and the Federal Reserve Board to back away from monetary policies that drive up interest rates, and they scored the Administration for tax policies that will "require more sacrifice from those who have little to give more to those who already have much."

Hofstra Law School Chair Dedicated for Carlough

Hempstead, N.Y.—Hofstra University Law School has dedicated the Edward F. Carlough Chair of Labor Law in honor of the Sheet Metal Workers' president-emeritus.

Carlough served as president of the union from 1959 until his retirement in 1970.

Schedule for June Listed By Labor Studies Center

Institutes on plant closings, labor law and public communications highlight activities at the Silver Spring, Md., campus of the George Meany Center for Labor Studies in June. The programs are open to officers and staff members of AFL-CIO affiliates.

The Industrial Union Dept., the American Institute for Free Labor Development (AIFLD), the African-American Labor Center and the Labor Council for Latin American Advancement will use the studies center's facilities for their own training programs during the month as will five unions. The schedule:

Plant Closings Institute, May 31-June 3—A three-day session on the union's role when a plant closes, including government programs to help workers, employers and communities.

Labor Law, June 7-12—A review of labor laws governing internal union affairs, organizing, collective bargaining, fair representation and equal opportunity.

Public Communications for Public Employee Unions, June 14-29—A workshop cosponsored by the AFL-CIO Public Employee Dept. on techniques of using the electronic and print media to build support for public employee programs.

Union leadership development programs include: Graphic Arts International Union, June 7-12; Operating Engineers, June 14-19; Theatrical Stage Employees, June 14-19; Communications Workers, June 25.

The IUD will host a semi-annual meeting of trustees of its National Industrial Group Pension Plan, June 1-2.

The AIFLD and the AALC are cosponsoring a class for 20 labor leaders from French-speaking African and Caribbean countries, May 31-June 12. The AIFLD will graduate classes of 22 English-speaking Caribbean and 20 Portuguese-speaking union officers from Brazil in June 12. They will be succeeded on June 22 by 40 Spanish-speaking women trade unionists from Latin American countries.

The center will sponsor a final conference June 28-30 to provide information for community colleges and unions interested in its Tripartite Program for Apprenticeship & Associate of Arts Degrees.

One off-campus session for union officers and staff members is scheduled June 8-9 at Cleveland on the AFL-CIO pension investment study and recommendations.

More information on these and other labor studies programs can be obtained from Fred K. Hoehler, Jr., executive director, George Meany Center, 10000 New Hampshire Ave., Silver Spring, Md. 20903. Telephone 301/431-6400.

Free World Unions Hail Poland's 'Solidarity'

(Continued from Page 1)

its response to Solidarity's appeal to the West for fraternal assistance.

"We have been catching it from all directions—both from those in the Soviet bloc who accuse us of seeking to contaminate the purity of Marxist thought in Poland, and from some of our own countrymen who worry that too much freedom among workers may undermine Poland's ability to repay its massive debts to Western banks," Kirkland said.

"OUR EFFORTS have nothing to do with political or economic theories. We care very little about who nominally owns the means of production. We care very much about who owns the unions. . . .

"We have not been asked by our brothers and sisters in Poland for political advice or economic guidance, and we have offered none. We have been asked for tangible things—for office equipment, printing and reproduction machines, and even for paper to write on, and we have supplied them.

"We have been asked for moral support and that, in concert with the IMF and the rest of the international free trade-union movement, we have supplied with enthusiasm."

In an opening-day address to the congress, Mieczyslaw Gil, a steelworker who is a Solidarity regional president based in Cracow, told the 500 delegates:

"WE ARE interested in contacts and exchanges of opinions with all trade union movements. Above all, we are interested in examining the best ways of maintaining the independence, the working-class nature, and democratic self-governing of our union."

Taking note that the conference was being held in America, Gil, who is also a member of Solidarity's top governing body, its National Coordinating Commission, thanked the working people of the United States for their support of Solidarity during its building stage, and spoke warmly of Polish-American ties.

"Over many years, Poles have been accepted here, especially in hard times, and have contributed to the development of American industry and civilization," Gil observed. "We also know and appreciate the fact that Polish workers are a very important segment of the American trade-union movement."

DURING AMERICA'S colonial days, he noted, Polish workers at Jamestown, Va., protesting against being denied the right to vote, organized an action that has been labeled the first strike ever in the New World.

Another member of the Solidarity delegation, Szbigniew Przydial, told reporters that he was impressed with the respect and interest shown by the IMF delegates in the new Polish labor federation.

"We will take our impressions back to our fellow members in Poland," said Przydial, a shipyard worker and member of Solidarity's Wroclaw regional executive board. "We saw how representatives of working people in Tunisia, elsewhere in Africa, and in other countries were accepted here, and treated in an equal way regardless of race or color or religion.

"WE ARE very grateful for this lesson in solidarity in the free world."

Other Solidarity representatives at the meeting—the largest international trade union assembly ever held in the United States—were Jacek Kurczewski, a Warsaw University staff member, who serves as an adviser to the labor federation, and Anna Maksyniuk, an interpreter from the organization's press and information bureau in Gdansk. The congress is the IMF's highest policy-making body, and until this year had always been held in a European city. IMF's central and executive committees have met in Asia, the Middle East and North and South America.

While the metalworkers' conference focused on a number of issues under the banner of the overall theme, "Peace, Justice, Jobs," the feat of the Poles in establishing the first genuinely independent free trade unions in the communist world was clearly on the minds of most delegates as well as speakers. Although Solidarity has no formal ties with the IMF, the composition of its larger national unions is in steel, shipbuilding, the electrical industry, and other sectors represented by the trade secretariat.

THE POLISH Workers Aid Fund, launched last September by the AFL-CIO General Board, has raised about a quarter of a million dollars. The funds are channeled to Solidarity in the form of needed equipment and supplies, and constitute the largest single source of support for the Polish labor organization in the West.

The IMF, also an early supporter of the Polish workers' union, will continue to support metalworkers wherever and whenever they are in need of help, IMF Gen. Sec. Herman Rebhan told delegates.

"We will be accused of interference," he pointed out. "When we lend support to strikers in South Africa or in Argentina, those governments say we are meddling in internal affairs. When we send aid to Poland, again there are those who say that this is outside interference.

"WE REJECT these accusations," said the Polish-born Rebhan, who grew up in Germany but fled during the Nazi persecution of the Jews and arrived penniless in the United States in 1938. "We stand for international working-class solidarity that recognizes no frontiers—that sees only workers who need our help.

"As the workers of Poland have shown, the urge for independent trade unions will never die," said Rebhan, a former Detroit auto worker, who worked his way up through the UAW to become the union's international affairs director.

Also saluting the Polish workers were IMF President Eugen Loderer, president of the 2.7-million member West German metalworkers' union, IG Metall; UAW President Douglas A. Fraser, and Sen. Edward M. Kennedy (D-Mass.).

"THEIR BRAVE struggle reminds us how precious liberty is," Kennedy observed. "It reaffirms the universal appeal of free trade unions everywhere."

Fraser, speaking on behalf of the 11 North American unions that are affiliated with the IMF, said that the Polish workers "have given us new hope in our own struggles. It is ironic to note that while the Wall Street Journal was praising the right of Polish workers to organize—one of the few correct positions they've ever taken editorially—the leaders of big business in the United States still were spending millions of dollars a year figuring out ways to stop American workers from organizing."

In addition to the UAW, 10 AFL-CIO unions are affiliated with the IMF, the international trade secretariat that links some 170 metalworkers' unions in 70 countries of the non-communist world. They are the Machinists, Steelworkers, Molders, Sheet Metal Workers, Boilermakers, Aluminum Workers, International Brotherhood of Electrical Workers. Operating Engineers, Allied Industrial Workers, and the Electrical, Radio & Machine Workers. IMF's North American membership is about 3.6 million.

Newspaper Guild Asks Study Of Health Risk in VDT Use

The Newspaper Guild has called on Congress to fund a long-term study of workers who operate video display terminals (VDTs) to determine whether they are developing cataracts or other health damage attributable to radiation in numbers significantly higher than other office employees.

The proposal was advanced by Guild President Charles A. Perlik, Jr., as the lead-off witness in two days of hearings on the potential effects on health of VDTs and radio-frequency heaters and scalers by a House Science & Technology subcommittee.

IT IS ESTIMATED that five to seven million of the devices currently are in use by office workers in the United States—more than 23,000 of them in the news, advertising, circulation and business offices of newspapers—and that number is expected to more than double within the next five years. VDTs are television-like screens attached to typewriter-like keyboards that replace typewriters and paper for a variety of office functions.

Perlik told the subcommittee that the Guild feels "attention has been concentrated for too long exclusively on the presence or absence of radiation in relation . . . to standards that are subject to revision and dispute and to health effects whose nature and range are far from being fully explored."

Reports to date by various arms of the government's health establishment repeatedly seek to reassure workers and their unions that there is no radiant-energy hazard at the low levels emitted by the machines according to existing standards, Perlik noted.

BUT, HE pointed out, a recent report by the Bureau of Radiological Health "states the matter a bit more pointedly, to wit: 'Research information on bioeffects for the frequency range 15 kilohertz to 125 kilohertz is lacking, so empirical estimates of injury are not possible.' "

Within the Guild's own experience, he pointed to reported cases of ten persons developing cataracts within the last five years after going to work on the machines —five of them in the last year alone—and to birth defects in children born within a month to four women working on VDTs at the Toronto Star.

Studies of the cataract and birth defect cases have not established a link between the phenomena and the work environments, but have established no other reason for the occurrences, either, Perlik pointed out.

RESEARCH INTO the possibility of long-range biological effects from exposure to radiation at the low levels emitted by VDTs seems to be in order, Perlik told the panel.

He called on the subcommittee, chaired by Rep. Albert Gore, Jr. (D-Tenn.), himself a former newspaper reporter, to seek such a study "either conducted or funded by the National Institute for Occupational Safety & Health" and to do what it can to see that NIOSH gets enough funds to conduct all of the research "so sorely needed to assure the protection of American workers from radiation and other occupational hazards."

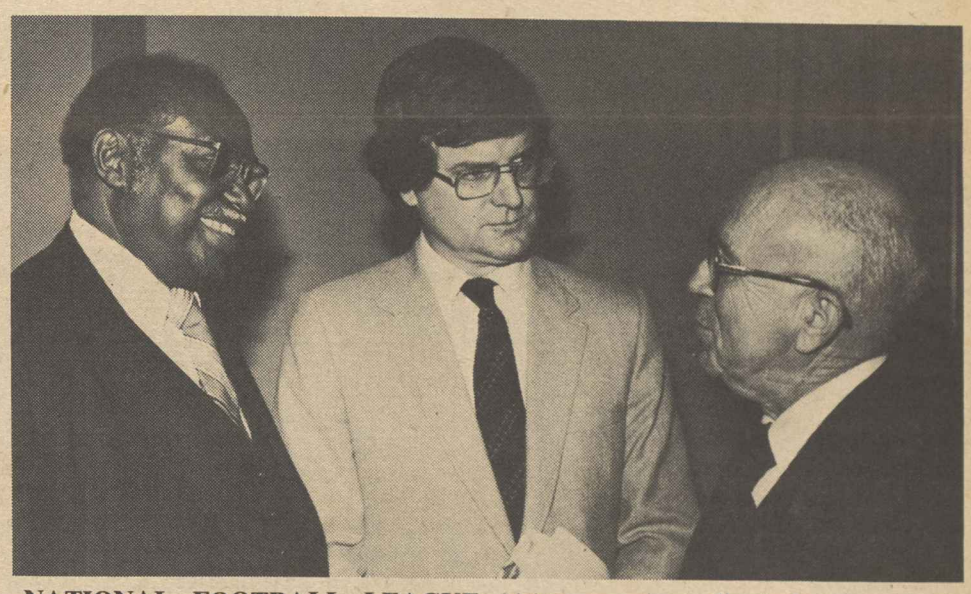
Bid to Oust Inspectors On Imports Assailed

Monitoring imports for compliance with U.S. laws is a job for trained specialists, not computers, the AFL-CIO told a Senate Finance subcommittee.

The statement protested Administration budget proposals that would eliminate jobs of import specialists capable of assuring that products brought into the United States comply with U.S. safety, consumer protection, patent, copyright and trademark laws.

Computerized tally of imports cannot substitute for the type of knowledgeable inspection that should be undertaken, the AFL-CIO said.

The federation noted also that customs inspections normally return many times their cost in additional revenues and therefore the claim of savings through reduction of inspections is "unrealistic."



NATIONAL FOOTBALL LEAGUE hiring practices discriminate against blacks in the selection of assistant and head coaches, a citizens' fact-finding panel charged after reviewing a study commissioned by the NFL Players Association. Panel Chairman William E. Pollard, left, is shown with two other members of the unit, NFLPA Executive Director Edward Garvey, center, and Rep. Augustus F. Hawkins (D-Calif.). Pollard is director of the AFL-CIO Dept. of Civil Rights.

Citizens Panel Presses NFL To Hire More Black Coaches

A citizens' factfinding panel headed by AFL-CIO Civil Rights Director William E. Pollard called on the National Football League to eliminate a "pattern of racial discrimination" in its hiring practices that denies coaching position to blacks.

The charges of racial discrimination came in a study commissioned by the NFL Players Association and conducted by Johns Hopkins University sociologist Jomills Braddock. The study found that while more than 50 percent of the league's active players are black, opportunities for them in coaching positions are worsening.

"DESPITE A 28-percent increase in the number of coaching positions in the NFL over the last seven years," the study noted, "there has been a net decline in the proportion of blacks holding assistant coaching positions."

The Panel on Equity in the National Football League includes representatives of labor and civil rights organizations. Representing labor, besides Pollard, are Operating Engineers President J. C. Turner, UAW President Douglas Fraser, NFLPA Executive Director Edward Garvey, and Garvey's assistant, Brig Owens.

POLLARD CALLED ON the league to undertake an affirmative action program in the hiring of coaches by its member clubs. The panel also urged NFL Commissioner Pete Rozelle to meet with it for a discussion of the issue.

If the NFL continues to refuse to meet with the group, "it may have to express its views to a committee of the Congress," warned Rep. Augustus F. Hawkins (D-Calif.), a member of the panel and chairman of the employment opportunities subcommittee of the House Education & Labor Committee. Hawkins's subcommittee has the authority to subpoena witnesses and conduct oversight hearings on institutional discrimination in the NFL, he noted.

Congressional Study Finds

Fund Slashes Worsen Crisis of Nation's Cities

A study prepared for the congressional Joint Economic Committee painted a bleak outlook for the nation's cities as a result of President Reagan's proposed budget cuts.

The budget reductions expected to take effect in the fall will exacerbate the already serious fiscal problems of many municipalities, the study found.

"The number and proportion of cities which reported deficits . . . surpassed even the most pessimistic projections," the report observed. "And it should be noted that cities with deficits are not confined to any one region or size.

"THUS, IN LIGHT of the seemingly intractable high rate of inflation facing the nation and the proposed reductions in federal intergovernmental assistance, the outlook for cities is bleak."

The study is based on a survey of 275 cities around the country. The data used in the report were collected before the announcement of the Reagan budget proposals in February, and "are probably optimistic," the authors of the JEC report said.

Questionnaires were sent to 594 cities. Of the cities that responded, 79 percent indicated that their operating expenditures were expected to exceed revenues during the current fiscal year, compared with 50 percent of those responding to a similar survey last year and 55 percent in 1979.

THE REPORT said the federal government "may have to develop a policy for dealing with municipal default on other than an ad hoc basis," as it did in New York's fiscal crisis of the 1970s.

Other major findings of the study:

- For all cities responding to the survey, the average increase in both revenues and expenditures was below the rate of inflation in 1979-80. For 1981, all cities are anticipating that revenue increases will be significantly below expenditures increases.
- All cities experienced large reductions in their CETA (Comprehensive Education & Training Act) workforces in 1980. For 1981, all cities are predicting additional steep CETA declines.
- Wage and salary increases for police, fire, and sanitation workers were frequently below the rate of inflation. In the largest cities, the shortfall was dramatic. For 1981, the report observed, wage and salary increases proposed in the largest cities are below the increases projected by other size cities for all services.

The eventual way out of the financial crises shaping up for the cities, the report suggested, is to build a new economic bases.

"THE RESULTS of this study strongly support the need for reindustrialization policies, given the severe fiscal consequences to cities of declining middle-class populations and private sector jobs," the report said. "The study also shows the danger of too-heavy reliance on federal assistance.

"Even reindustrialization, which will undoubtedly help many cities, is a long-run solution. In the near term, short of imperiling the health and safety of its residents, cities will have to raise taxes, user charges, and fees to compensate for diminished federal assistance."

Because of the magnitude of the proposed federal budget cuts and the abruptness with which they will likely be implemented, the study concluded, "many economic development initiatives will be reversed, the population of many cities will be forced to forego certain services and to pay more for others, and an increasing number of cities will find themselves on the brink of collapse."



BRISK PACE is set by Rubber Workers' President Peter Bommarito in the March of Dimes fund-raiser in Akron, Ohio. Bommarito, in the white jacket, was joined in leading the march by Jack W. Johnson, chief negotiator for B. F. Goodrich Co.; W. G. Brant, labor program director for the march, and Akron Mayor Roy L. Ray. Bommarito had challenged the chairmen of the major rubber companies to sponsor his walk with contributions so he could make the "long hike" they always wanted him to take. The event raised $60,000.

NLRB Seeks Court Order Against Baseball Owners

Baseball's dispute over unfair labor practice charges against team owners spilled into federal district court in New York, where the National Labor Relations Board sought a temporary restraining order that could keep the 1981 season going for another 30 days at least.

Injunctive relief, sought by NLRB General Counsel William A. Lubbers on behalf of the players' union, the Major League Players Association, would mean the ballplayers would not have to strike on or before June 1 to prevent the club owners from unilaterally imposing their free-agent compensation plan.

THE BOARD authorized Lubbers on May 27 to seek the temporary restraining order and then, if granted, a full injunction. Many observers felt that an injunction would eliminate the possibility of a strike, but the players said they were keeping their options open. The union was to have started the first mid-season strike in baseball history at the conclusion of games scheduled on May 28.

The board's action followed the issuance by Lubbers of an unfair labor practice complaint accusing the owners of refusing to bargain in good faith. The players charged that management had refused to give them the financial data they need to continue good-faith bargaining on the free agent question.

Under the agreement that averted a strike last year, the free agent issue was put aside while the rest of the contract was settled. That contract allowed the owners to put their free agent compensation plan into effect June 1, 1981, unless agreement on the issue was reached. The players would have to strike before that date to prevent the imposition of the plan.

THE OWNERS' plan would allow a team that lost a "ranking" free agent in the re-entry draft to receive compensation from the player's new team in the form of a major-league player.

The players point out that this would severely limit free agency and that the proposal is the same one management put forth when negotiations started 16 months ago. Because a number of owners have claimed that the plan is necessary to avoid heavy financial burdens on their teams, the players have called on the owners to open their books to justify these arguments.

When the owners refused to do so, Lubbers issued the refusal-to-bargain complaint.

THE NLRB SAID it would continue to review the unfair labor practice charge. While the injunctive relief would block the compensation plan at least temporarily, it would not necessarily call for the owners to furnish the financial data to the union.

But the players would be free to continue the season without jeopardizing their position while the board considered the merits of the charge.

Workers Boost Averages With Bat Strike Settlement

Clarksville, Ind.—Big league baseball players have one less thing to worry about these days. They won't be running out of Louisville Sluggers now that the firm that makes their favorite bat has settled on a new contract with its union-represented workers.

The Slugger, manufactured just across the Ohio River here from the bat's Kentucky namesame, is very popular with major league players. About 90 percent of the bats used in the big leagues are Louisville Sluggers.

WHILE MOST clubs already had ordered the bulk of their bats for the season before last month's strike against Hillerich & Bradsby began, the longer the strike continued the greater the likelihood increased that hitters would start swinging the competition's timber—an Adirondack or one of those bats made in Japan.

Members of Steelworkers Local 3931 struck the firm on Apr. 12 just after the start of the baseball season. The main issues were wages and seniority rights. The union members, who also turn out metal golf club shafts, metal bats, softball and little league bats for the company, ended the dispute with ratification of a contract providing hourly wage increases of $1.80 over three years.

THE 340 WORKERS also won improved health insurance and pension benefits and a new dental plan and retained the right of senior employees to choose their secondary job assignments. When one line of the factory shuts down—for example, the line making baseball bats—a senior bat line worker can choose where he wants to work in another area of the plant.



SOCIAL SECURITY CUTS proposed by the Reagan Administration would break "a solemn contractual obligation" to American workers, AFL-CIO Vice President Jerry Wurf charged at a news conference called by the Save Our Security coalition. Organizations representing more than 35 million members are fighting benefit cutbacks.

Coalition Seeks To Bar All Cuts In Social Security

(Continued from Page 1)

benefits related to past earnings and contributions.

"It is not surprising that the country is reacting with outrage to proposals that would violate the compact," he testified.

BALL OUTLINED for the committee a variety of steps that could be taken to shore up the funding of the program, from temporary shifting of income from one trust fund to another as a short-term minimal step to the more "desirable" approach of starting to make general revenue contributions to the program.

"Eventual government contributions to social security were a part of the original design for the program," Ball reminded the committee.

Ball and other coalition representatives noted at the SOS news conference that the social security funding problem would not have arisen under a healthy economy.

If unemployment had been in the 4-to-5 percent range and inflation had not outstripped wages, Ball said in response to a question, there would have been ample money to meet benefit obligations.

5/30/81

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OSHA Scraps 'Walkaround Pay' on Inspections

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By John R. Oravec

The Occupational Safety & Health Administration has revoked its "walkaround pay" rule which unions regard as essential for worker participation in job site inspections and for effective enforcement of OSHA standards.

Assistant Labor Sec. Thorne G. Auchter said the regulation was being rescinded because it was not needed to carry out OSHA's programs. The rule required employers to fully compensate workers for the time they spend accompanying OSHA compliance officers during inspections.

OSHA ALSO announced new delays in implementing a "trigger" provision in the lead exposure standard requiring the transfer of affected workers to less-hazardous jobs and the effective date of a hearing conservation program for workers exposed to high levels of noise. Employer groups have strongly opposed both safeguards.

The original walkaround rule, issued in 1977, was sidetracked by a federal appeals court on a technicality last July after a challenge by the U.S. Chamber of Commerce. A new rule was issued in January by the outgoing Carter Administration, but its effective date was postponed under orders of President Reagan.

The Chamber of Commerce also challenged the reissued rule, contending that the time workers spend on inspections does not constitute "time worked" within the provisions of the Fair Labor Standards Act.

AUCHTER, who is the director of OSHA, insisted in revoking the rule that "the issue of walkaround pay is best left to voluntary arrangements between employers and employees."

AFL-CIO Safety Director George H. R. Taylor warned that the revocation threatens to lock workers out of the inspection process by creating a closed relationship between OSHA and the employer. He said

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THREE FORMER COMMISSIONERS of the Social Security Administration testify at House hearings on the severe impact the Reagan Administration's benefit cuts would have on women. From left, Robert M. Ball, Stanford G. Ross and William Driver.

'Catastrophic' Impact

Women Biggest Losers In Social Security Slash

America's women would be the biggest losers if Congress agreed to the Reagan Administration's social security proposals, a House task force discovered.

The task force, set up by the House Select Committee on Aging, found that women are already clustered at the bottom of the social security benefit structure and are disproportionately vulnerable to the cutbacks the Administration has sought.

REP. MARY ROSE OAKAR (D-Ohio), who heads the task force and presided at its hearings, said the Administration plan would have a "catastrophic" impact on older women especially.

Witnesses at the hearings included former Social Security Commissioner Robert M. Ball, who testified for the Save Our Security coalition that is fighting the Reagan cuts.

He was on a panel with two other former heads of the Social Security Administration, William Driver and Stanford G. Ross.

Ball cited as an example the effect of the Administration's proposal to eliminate the minimum social security benefit—the floor under benefits that now goes to some 3 million persons. Three-fourths of them are women, Ball pointed out.

He challenged the Administration's claim that the "truly needy" wouldn't be hurt because they could apply for SSI payments—the Supplemental Security Income available to the aged poor.

BUT SSI IS available only to persons over 65, Ball said, and many of the women affected have had to retire at age 62 "because they had no alternative." Further, SSI is available only to those with less than $1,500 in personal assets, and many older people "just do not want to apply for welfare with its test of income and assets."

Cuts in disability benefits and tougher qualification standards would apply to men and women alike. But Ball said the stricter test of recent employment proposed by the Administration would disqualify proportionately more women than men because women workers are more likely to have had gaps in their working years, "particularly because of child rearing."

Ball reminded the panel that disability protection was substantially cut back last year, that 70 percent of all applications for disability insurance are disallowed, and

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Davis-Bacon Foes Linked to Revival Of Wage Chiseling

Government contracts shouldn't be a prize to employers who pay the lowest wages and provide the least benefits, the AFL-CIO told a Senate Labor Committee.

The federation stressed that prevailing wage protections are still needed and should be strengthened rather than weakened.

The AFL-CIO statement responded to attacks on the Davis-Bacon Act and other wage protection laws that were made during hearings earlier this spring. Subcommittee Chairman Don Nickles (R-Okla.) had opened the hearings by branding Davis-Bacon "inflationary" and calling for its repeal.

THE DAVIS-BACON ACT, adopted in 1931 during the Hoover Administration, has been the chief target of open-shop employers. It requires payment of local prevailing wages and benefits on federally funded construction contracts.

Also under fire have been the 1936 Walsh-Healey Act which requires industry minimums for government procurement contracts and the 1956 Service Contract Act, which has sought to prevent wage-cutting on service contracts.

The "underlying theory" of the three laws, the AFL-CIO said, "is that competition for government contracts should be based on managerial ability—the ability to perform the contract, manage the workforce and use technological innovations—not on the basis of who can exploit their workers the most."

DAVIS-BACON wage determinations reflect union wage scales only in communities where the union scale is predominant, the AFL-CIO noted. And in those communities, especially, the law "has civil rights implications," it stressed.

Union apprenticeship programs have a much higher percentage of minority participation than non-union programs, the federation testified. "It would be a tremendous disservice to these minority workers if the federal government were to now turn on them and seek to drive down their wages through encouraging wage-busting and chiseling."

The AFL-CIO suggested that "some fine-tuning" could improve the administration of the law and the procedure for determining prevailing wage rates. A sound starting point, the federation said, would be to put into effect the regulations that the Administration has withdrawn while it considers more drastic revisions that have been urged by employer groups.

Senate Cuts Back Public Housing, Ups Rent Charge

The Senate's Republican majority voted to cut public housing programs below even President Reagan's budget request and to make people living in them pay a bigger share of their income for rent.

An earlier budget action had reduced the number of rental units authorized for the current fiscal year from the 250,000 level voted by the previous Congress to 210,000.

THE OUTGOING Carter Administration had proposed 260,000 new units for the fiscal year starting Oct. 1, 1981. The AFL-CIO, in Senate testimony last April, had urged that this be raised to 300,000 units because of the slump in unsubsidized

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Labor Opposes Tuition Tax Credit

Tuition tax credits for students in private schools would undermine quality public education in America, AFL-CIO Education Director Dorothy Shields warned at Senate hearings.

Shields called the proposal to provide a refundable tax credit for students in private colleges, vocational and elementary and secondary schools a "threat to public education" and a "poor, regressive tax policy" that would mean "an open-ended revenue loss for the federal treasury."

TESTIFYING BEFORE the Subcommittee on Taxation of the Senate Finance Committee, Shields stressed that the tax credits would weaken public school systems already hurt by declining enrollments and cutbacks in state and federal aid. She pointed out that the proposal would cost billions of dollars in federal revenues at a time when Congress and the Administration are trying to balance the budget and cut federal programs, "including a huge 30-percent cut in federal aid to education."

Shields reminded the committee that the labor movement had led the fight for free universal public education for American children. The AFL-CIO still supports the idea that public education for workers and their children "is a priority consideration in the improved quality of life to which we all aspire," she said. Shields told the subcommittee, that the tuition tax credit proposal would restructure federal aid to education to give private schools the advantage over the public school system.

THE PROPOSED bill would give taxpayers a credit equal to 50 percent of education expenses up to $250 the first year and $500 per year thereafter.

Shields noted that the benefits would apply not only to dependent children but could be applied to taxpayers and their spouses and a wide range of other dependents as defined under current tax codes. Graduate students and part-time students would eventually be eligible under the terms of the proposed bill.

The result, Shields told the committee, will amount to "another open-ended tax expenditure item that is not subject to normal processes of authorization and appropriations." This could lead to increases in other taxes or to forced reductions in many direct educational aid programs, she warned.

THE ADVANTAGES turned over to the private education system will drain public education in a number of ways, Shields explained. An "educational caste system" would be created as advantaged children shift from the public schools, leaving behind the handicapped, the learning disabled and the poor. A reverse in the

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OSHA Scraps Walkaround Pay Provision

(Continued from Page 1)

that non-union workers who have no contractual protection on job safety matters would be particularly affected by the loss of the walkaround pay provision.

UNIONS HAD been fighting for walkaround coverage since the early 1970s to assure that workers would not be docked for time spent off their regular jobs to take part in the inspections. Extensive inspections of large plants in hazardous industries can take several weeks.

In issuing the original rule in 1977, OSHA directed that employers must pay workers for the walkaround time or be charged with discrimination under Section 11 (c) of the 1970 job safety law. A federal district court upheld the rule, but the appeals court vacated it on the ground that OSHA had not provided for public comment before the rule was put into effect.

Under the lead exposure standard, OSHA has postponed implementation of a new "trigger level" for medical removal of workers for the third time in the primary and secondary smelter industries.

INDUSTRY GROUPS have been pushing for a one-year delay in the regulation, which had been scheduled to take effect Mar. 1.

OSHA delayed until May 15 lowering the trigger level from 70 micrograms of lead per 100 grams of blood to 60 micrograms of lead for all industries except the primary and secondary smelters. At that time it exempted the smelters until June 1. Now, the effective date has been pushed back to July 1.

On the noise regulation, the new hearing conservation program was to have taken effect Apr. 16, but OSHA had ordered a delay until June 1. The effective date has now been postponed to Aug. 1.

Administration Witness Trips Over Own Words

An Administration witness tripped on his own rhetoric at House hearings on President Reagan's proposed social security cutbacks.

Deputy Social Security Commissioner Robert J. Myers told a task force of the House Select Committee on Aging that the cuts are needed because the program "is teetering on the edge of bankruptcy." He insisted that "we are facing the most serious crisis in the 46-year history of the social security system."

Then it was the turn of former Social Security Commissioner Robert M. Ball to testify on behalf of the Save Our Security coalition which is fighting the cutbacks.

Ball happened to have with him the previous month's issue of OASIS, the Social Security Administration's own magazine, and it featured prominently "An Interview with Deputy Commissioner Myers."

The social security system is "here to stay," Myers stressed in the interview.

As for its financial problems, "they can be solved readily. Many of the headlines of gloom and inevitable bankruptcy just are not valid," he said.

Government Employees Map Protests Over Budget Cuts

A plan for escalating protests against the Reagan Administration's "disastrous budget cuts" was adopted by the American Federation of Government Employees at an emergency strategy conference.

AFGE President Kenneth T. Blaylock said the 400 local and district leaders who came to Washington for the sessions agreed on a summer-long schedule of progressively more militant actions, including demonstrations, marches and other forms of protest.

NEXT SEPTEMBER, he said, AFGE members will be asked to vote on a proposal to authorize the union's officers to call "whatever action is required."

Blaylock said the union's strategy involves efforts to increase public awareness of the impact of budget cuts in such areas as social security, veterans benefits, housing, aid to the poor, the elderly and children, job training, labor standards enforcement and consumer protections among others.

He said the union will work to strengthen its political action capability in each congressional district and will mount public education campaigns on the cuts.

The AFGE will also work with other labor and community organizations, both locally and nationally, to form broad coalitions to oppose Administration proposals that "will penalize America's middle class and poor in favor of the wealthy and powerful," Blaylock said.

HE CHARGED that the "obvious intent" of the Administration is "to systematically dismantle government." The AFGE will work to dispel the Administration's smokescreen and show "an undistorted picture of what is happening," he said.

The union hopes to "forge a bond" with taxpayers to "restore sanity and compassion to America's governmental programs," he said.

The leadership conference delegates proposed that if the measures to be undertaken over the next few months do not bring results, the AFGE should conduct a national membership vote on a proposal to authorize the union's executive council "to call whatever action is required."

A SUBSEQUENT AFGE executive council statement endorsed the leadership conference program and affirmed the union's "total commitment" to its recommendations.

A council statement charged that the Administration's actions, supposedly designed to "get the government off the backs of the people," are destroying "programs which were intended to keep large segments of America on their feet and off their backs."

It noted that government workers involved in these threatened programs "see what the politicians and managers do not see—the infirm, the hungry, the old and the powerless" who are the real victims of the budget cuts.

Court Weighs Injunction Bid Against Major League Clubs

Rochester, N.Y.—A federal judge promised a decision within 48 hours after final arguments here on a National Labor Relations Board request for an injunction against major league baseball club owners blocking their free-agent compensation plan.

U.S. District Judge Henry F. Werker heard closing arguments in the complex case on June 4. If he refuses to grant the injunction, the players could strike 24 to 48 hours after his decision. If the injunction is granted, the status quo would be maintained while hearings are held on the Players' Association's unfair labor practice charge against the owners.

THE COURT hearing followed a May 28 agreement by both sides before Werker in U.S. District Court in Manhattan that extended the deadline by which the players had to strike before the owners' compensation plan would take effect this season.

Under questioning here, Ray Grebey, director of the owners' Player Relations Committtee, acknowledged that the 26 major league clubs had purchased $50 million in strike insurance at a cost of $2 million. That coverage will expire Dec. 31, and Grebey expressed doubt that it could be replaced.

Other witnesses included baseball commissioner Bowie Kuhn and Marvin Miller, exceutive director of the Major League Players Association. Miller was the leadoff witness for the NLRB, and testified on the history of the thorny free-agent issue.

THE NLRB HAS issued a complaint that the owners have failed to bargain in good faith by refusing to provide the Players' Association the financial data it needs to bargain on the issue. An NLRB administrative law judge is scheduled to hear the board's case against the owners beginning June 15 in New York.

If Werker grants the injunction as requested by the NLRB, the owners would not be able to implement their compensation proposal until next year, between Feb. 15 and 20. The players, as they did this year, would have to decide by Mar. 1 whether to accept the proposal or strike. If they decided to strike, they would have to do so by June 1.

The owners' plan would allow a team that lost a "ranking" free agent in the re-entry draft to receive compensation from the players' new team in the form of a major league player.

Postal Workers Choose Holbrook For Key Office

Douglas C. Holbrook has been chosen to succeed Chester W. Parrish as secretary-treasurer of the Postal Workers on the latter's retirement.

Holbrook, president of the APWU local in Detroit since 1966, was confirmed by the union's executive board to complete Parrish's current three-year term to which he was re-elected last fall. Holbrook is 47.

Parrish, 56, retired May 29 to close a 35-year career with the APWU and the Post Office Motor Vehicle Employees, one of five unions that merged in 1971 to form the Postal Workers. Parrish had held a number of key offices with the Motor Vehicle Employees and was president of the union at the time of the merger. He was president of APWU's motor vehicle craft division until his election as secretary-treasurer in 1977.

In addition to heading the APWU Detroit local for 15 years, Holbrook also has served on the executive board of the Detroit AFL-CIO.

Maritime Award To Honor Paul Hall

New York—The late Paul Hall, president of the Seafarers and an AFL-CIO vice president, has been named the 1981 recipient of the Admiral of the Ocean Sea Award, the maritime industry's highest honor.

The award is given annually by the United Seamen's Service to individuals in maritime labor, industry, or government for outstanding contributions to the American merchant marine. Hall's widow, Rose, and Frank Drozak, who succeeded him as SIU president, will accept the award in his behalf at a Sept. 25 dinner here chaired by AFL-CIO President Lane Kirkland.

Women Face Biggest Loss In Benefit Cut

(Continued from Page 1)

that "this part of the social security system does not have a financing problem."

Another task force witness, President Eleanor C. Smeal of the National Organization for Women, testified that curtailment of age 62 early retirement benefits would be especially harmful to women.

Because of the earnings gap between men and women, she noted, women are already at the lower benefit levels. The Administration plan would drop the age 62 retirement benefit from the present level of 80 percent of age 65 payments to 55 percent.

But "a higher proportion of women than men retire before age 65, primarily due to ill health and loss of jobs," Sneal testified. Minority women, she said, will be especially penalized.

OTHER WITNESSES cited the high portion of elderly, single women dependent on social security payments as their chief income.

Oakar noted that Congress has already taken a big step to reducing social security benefits by setting budget ceilings that almost compel adoption of some of the Administration cutbacks.

"Those of us in Congress who have been working to make social security more equitable and adequate for women were shocked, dismayed and deeply disturbed by the Administration's proposals," she said. "They will undermine the very concept of social security as a social insurance program for our nation's workers and their families."

AN ADMINISTRATION witness, Deputy Social Security Commissioner Robert J. Myers, argued that the proposed cuts "apply equally to men and women."

Myers acknowledged the point that women might come out worse than men under the Administration proposal. But this reflects "discrimination in the workplace and cultural differences between the life-styles of men and women," he insisted, and these "are not problems which social security can solve."

CWA Tops Vote For New Jersey Units of 32,000

Trenton, N.J.—The Communications Workers won bargaining rights for all 32,000 New Jersey state white-collar workers in the nation's largest union representation election since 1977.

CWA swept the balloting in three runoff elections among 20,700 state workers, the New Jersey Public Employee Relations Commission reported.

In March, CWA won a three-way contest with the State, County & Municipal Employees and the American Federation of Teachers to win representation rights for some 11,500 administrative and clerical workers of the state. At that time, CWA led in voting among professional employees and two units of supervisory workers but lacked a clear majority in the three-way contest.

The tally of mail ballots in the runoff with AFSCME showed CWA with 53 percent of the 10,500-member professional employees unit, 59 percent among the 9,000 first-level supervisors, and 54 percent among the 1,200 higher-level supervisors.

The state white-collar workers at one time were represented by two independent associations, but their joint bargaining relationship crumbled in the fall of 1979.

CWA now represents over 40,000 government employees overall in New Jersey. Besides the state white-collar workers, the union represents about 4,000 case workers and other employees of 22 county welfare boards and about 6,000 county and municipal department workers.

ACTWU Convention

Reagan Scored on Drive To Cancel Worker Gains

Detroit—Clothing & Textile Workers President Murray H. Finley denounced the Reagan Administration's efforts "to turn back 50 years of government that is concerned with the people."

In his keynote address to some 3,000 delegates and alternates to ACTWU's second constitutional convention, Finley declared that "51 percent is not an overwhelming mandate for anyone . . . and surely not a mandate to impeach former Presidents Franklin Delano Roosevelt, Harry Truman, John F. Kennedy and Lyndon Johnson" by destroying all they stood for and accomplished.

FINLEY REMINDED the delegates that the American people did not—as he said the Reagan Administration would have the nation believe—vote to cut social security benefits, do away with the Trade Adjustment Assistance Act to help workers left jobless by imports, cut unemployment compensation or cut the Occupational Safety & Health Act in the interests of balancing the budget.

He said that the labor movement does not "seek a confrontation" with the Reagan Administration, but it will be "in the forefront of the fight for the concern of all the people of this country."

AFL-CIO President Lane Kirkland stressed in an address to the delegates that the American labor movement currently has "two large jobs . . . to defend social programs and do everything in our power to see that our friends are returned to Capitol Hill." Kirkland pledged that "late or soon, we shall prevail simply because we have not ever, we will never, we do not and will not quit."

IN HIS SPEECH Kirkland outlined the attack by the Reagan Administration on workers that is making "our country into a two-class society with great wealth on one side, enjoying all the largess and blessings of government, and privation and insecurity and neglect on the other.

"Workers must see we are not fighting abstractions," Kirkland said. "It is their hospitals that will close, their schools, their jobs, their families that will suffer. Our job is to bring these facts home to our fellow citizens."

ACTWU Sec.-Treas. Jacob Sheinkman, in his report to the convention, said that "the issue between us working men and women and the Reagan Administration was drawn clearly and honestly in the first economic speech of the President. He made a ringing declaration . . . that the taxing power of government must not be used to regulate the economy and bring about social change."

TAKING SHARP issue with that position, Sheinkman recalled that social security, "one of the most profound social and economic changes in American history, was brought about by using the taxing powers of government."

Deploring the Administration's moves to cut social programs and to make OSHA regulations—such as the cotton dust standard to conquer the hazard of brown lung disease in textile mills—more "cost efficient" for big business, Sheinkman declared: "We reject any cost analysis which places a dollar value on our lives . . . and any administration that says cost efficiency is a factor in measuring the worth of our lives. . . . We do not believe that the people who are the worst off should be squeezed the most."

Sen. Edward M. Kennedy (D-Mass.) drew applause from the delegates as he issued a challenge to the "New Right" and pledged that he will run for re-election to the Senate and continue to fight repressive legislation designed to weaken the labor movement's ability to protect the benefits workers have gained over the years.

ACKNOWLEDGING that he is "the number one target of the radical right and the Moral Majority," he pledged to "fight back."

"And with your help and assistance," he said, "I intend to return to the United States Senate and continue to stand with all of you in the fights for the future that we have yet to win."

Blasting "those who came to power in Washington in 1980" as the "most anti-labor administration and the most anti-worker Congress in half a century," Kennedy pledged to do all he can in Congress to prevent any socially repressive measures from ever reaching President Reagan's desk.

ACTWU SENIOR Executive Vice President Sol Stetin castigated the Administration for its OSHA cutbacks that he said will jeopardize the lives of millions of workers. He also scored Reagan's proposals for heavy reductions in social security benefits while leaving untouched the tax write-offs "that put billions into the treasuries of the big oil companies every year."

President Sol C. Chaikin of the Ladies' Garment Workers told the convention that the number one problem on the agenda for both ACTWU and the ILGWU "has to be the evolution of a rational policy of fair trade. Our unions will not be able to survive many years into the future if every year, year after year, we report to our members that the amount of imports of every type and description in the softgoods industry has increased by leaps and bounds."

HE CALLED for a renewed effort to tell labor's story to the people.

"We have failed," he said, "because as we have moved we have failed to take the story with us and to educate our friends and neighbors to the recent history of the trade union movement. And while we fight this rearguard action that we will continue to fight as long as Reagan is in office, we have to think of our own agenda going forward and getting this across."

The convention unanimously adopted a resolution calling on the federal government to set up a federal task force to investigate the unsolved murders of 30 children and young adults in Atlanta and offering full help and support to officials and the people of Atlanta.



STRONG CHALLENGE was thrown down by Sen. Edward M. Kennedy (D-Mass.) to those who introduce legislation in Congress to curb gains made by workers and society. Kennedy told 3,000 delegates to the Clothing & Textile Workers convention he will fight "New Right" efforts to reverse social progress. Also on the dais are ACTWU Sec.-Treas. Jacob Sheinkman, left, and President Murray H. Finley.

Economic Index Signals Further Slowdown Ahead

The government's index of leading economic indicators rose a modest four-tenths of 1 percent in April, largely reflecting an increase in the nation's money supply.

The increase in the index—a measure designed to forecast economic trends—was the second straight following three monthly declines. But the lackluster April showing indicated to many economists that the economy was slowing rather than picking up.

NEWLY NOMINATED Council of Economic Advisers member Jerry Jordan said that "a slowdown in real growth" is expected in the current quarter. "We are entering a period where we could see a decline in real gross national product," he said. Real GNP is the value of the nation's total output of goods and services.

Besides an increase in the money supply, other indicators that made positive contributions to the April index included length of the average workweek, new manufacturing orders for consumer goods, vendor performance, building permits, producers' prices, and stock prices. The rise in building permits—an important barometer of future housing construction activity—was the first monthly increase in this indicator since last November.

The layoff rate in manufacturing industries was unchanged from March, and the two remaining April indicators—contractors and orders for plant and equipment and change in total liquid assets—made negative contributions to the index.

In another government report, the Commerce Dept. said the nation's merchandise trade deficit grew to $3.46 billion in April. A $1.4-billion increase in petroleum imports over the month was the largest contributor to the overall worsening of the trade balance.

The report showed the value of imported vehicles declined $28 million to a total of $1.17 billion in April. Auto exports also fell, but by a lesser amount, $11 million, to a total of $63 million.

MEANWHILE, several big banks followed the lead of New York's Chase Manhattan in lowering their prime lending rates to 20 percent from 20.5 percent, but most analysts believed that it was too early to say whether the key interest rate would continue to decline.

Chase, the nation's third largest bank after the Bank of America and Citibank, said it lowered its rate "in response to the recent drop in the cost of our raw material, money." The prime, nominally the rate on short-term loans for banks' best corporate customers, is the base rate that banks use to compute interest charges for everyone, from business customers to consumers.

Rising mortgage interest rates played a major role in the 13.5 percent drop in April home sales reported by the Departments of Commerce and Housing & Urban Development. The decline in sales of new, single-family houses was the biggest in a year.

Robert Sheehan, an economist with the National Association of Home Builders, said that sales may have fallen even more last month because "May is when interest rates really took off."

'It's Your Postgraduate Course!'



David Lewis Dies at 71, NDP Founder, Union Counsel

Ottawa—David Lewis, a founder of Canada's New Democratic Party and a former member of the Canadian parliament, died of leukemia May 24.

Lewis, who was 71, also had served as the Canadian legal counsel for a number of AFL-CIO affiliates.

Union Support Urged For Vietnam Memorial

AFL-CIO President Lane Kirkland has urged federation affiliates and their members to support fund-raising efforts in behalf of the Vietnam Veterans Memorial in the nation's capital.

The memorial, planned for a two-acre site near the Lincoln Memorial already authorized by Congress, "will constitute a long overdue expression of appreciation" for the sacrifices of those Americans who served in Vietnam, Kirkland said in a letter to presidents of AFL-CIO unions.

Contributions should be mailed to Vietnam Memorial Fund, P.O. Box 37240, Washington, D.C. 20013. Dedication of the memorial is planned for November 1982.

A Time for Unity

THIS IS A TIME when our movement needs the highest measure of unity, the strongest degree of understanding and support from those for whom we speak, and all the reliable allies that we can possibly find.

We have two broad and very large jobs on our hands.

One is to defend as best we can the social programs that reinforce this comparatively humane society that we have helped to build over the last half-century, and to resist the effort to divide and polarize our country into a two-class society with great wealth on one side, enjoying all of the largess and blessings of government, and privation and insecurity and neglect on the other.

The second, and certainly vital to the first, is to do everything in our power before the next election to see that our friends are returned to Capitol Hill, joined by others, and that our opponents are retired to that private and tranquil life which they so richly deserve.

TO DO THAT, the working people of America must see and they must understand that we are not fighting over abstractions, that it is their health that is being put at hazard by the crippling of OSHA and the rollback and dismantling of protective regulations.

It is their hospitals that will close, and it is their children's schools that will deteriorate. It is their neighbors whose jobs will be destroyed by the strangulation of federal aid to the states and cities and the dismantling of training and job opportunity programs.

It is their neighborhoods that are threatened with decay and blight. They are the consumers who are no longer to have protection from unscrupulous manufacturers who believe that anything goes for a buck.

It is their parents in their retirement years, and themselves in years to come, who are to be sold out in the assault upon the social security system in this Administration's drive to force that vital asset under the general budget chopping block.

OUR JOB IS to bring these facts home in the most human terms to our fellow citizens, those who have not yet seen through the rhetoric.

Our job is to make the law-makers understand that the budgetary knife does not just slice pieces of paper with numbers on them, that it draws blood and impairs the flesh, wounds the flesh of human beings like themselves.

There are some welcome signs that the American people, and at least some of their elected officials, are beginning to become a little bit uneasy about the human costs behind the dollar-savings proposals.

We still have some friends in Congress—timid though they be.

We need them and they need us. And they need all the support that we can muster in their home states and in their districts to put some iron in their backbones.

—AFL-CIO President Lane Kirkland to the convention of the Clothing & Textile Workers, Detroit, June 2, 1981.

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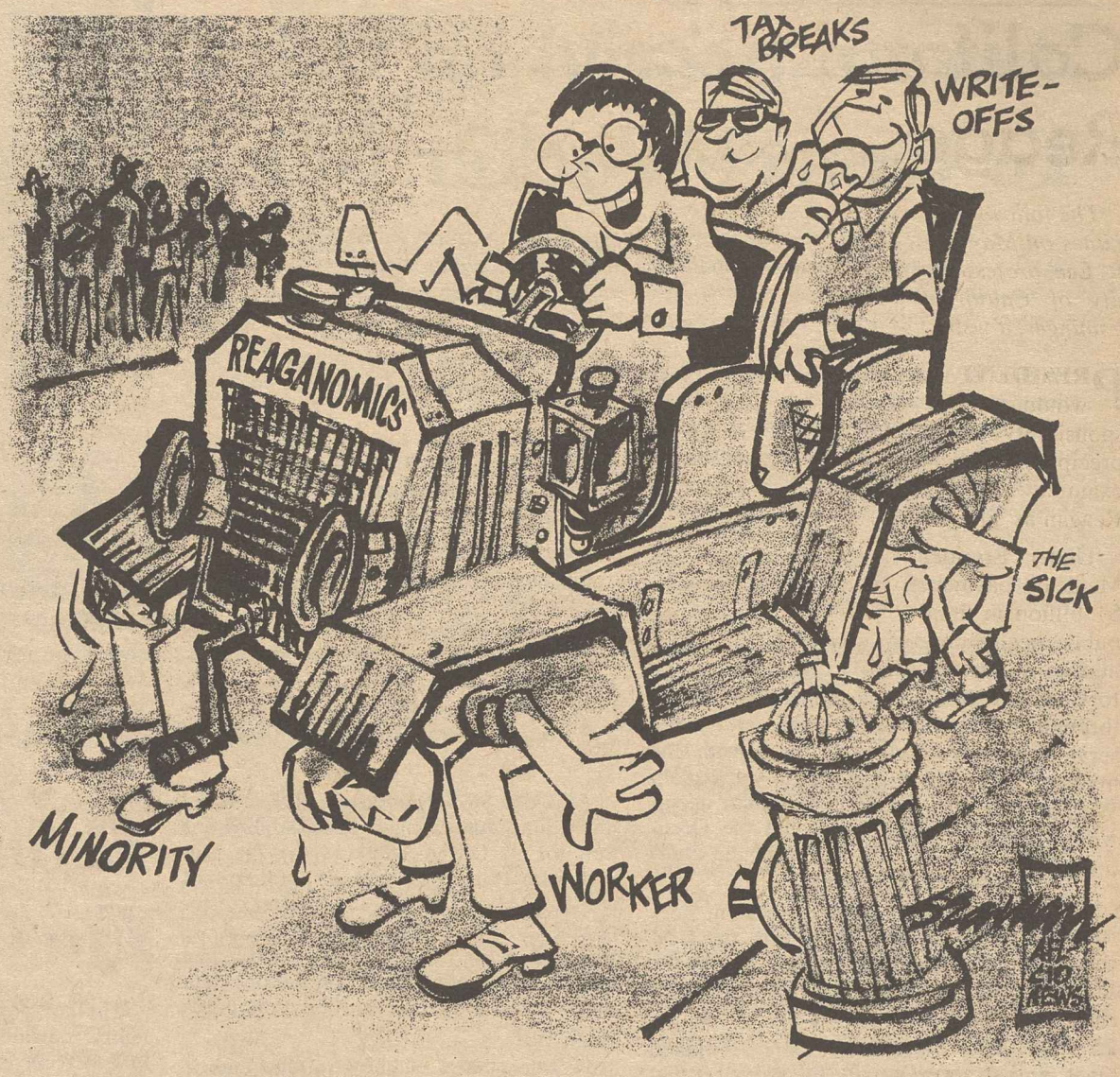
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'Crank 'Er Up!'



Goof on Social Security

Senate's 96-0 Rebuff of Reagan Is One for the Record Books

By Gus Tyler

A **REPUBLICAN PRESIDENT** proposed changes in the social security law. A Republican-dominated Senate, by a vote of 96 to 0, adopted a resolution that disavowed the most drastic of the Administration's proposals.

The event belongs in the Ginness Book of Records. It never happened before.

Presidents have lost out in battles with House or Senate or both even when the Congress was controlled by their own party. But for a President to lose the game in a shutout in a contest with a house controlled by his own team is a historic first. Not a single Republican—not one—would stand up for Reagan.

HOW COULD this ever come to pass? Bad politics, worse arithmetic, and incredible incompetence.

Rumor hath it that some Democrat was preparing a bill to cut back on social security. The White House panicked. They did not want the Democrats to get "the credit." They put pressure on their Secretary of Health & Human Resources, Richard Schweiker, to come forward with his long-delayed recommendations on the security system.

So, in the heat of haste, he laid his egg. It was passed from hand to hand and, it is said, even the President had a chance to glance at the product produced in a hurry. They rushed it to the Senate to make sure that the Democrats did not get the "credit."

APPARENTLY nobody stopped to ask: "why not give the Democrats the credit for cutting down on social security?" It might be dirty pool but it would have been damn good politics.

Arithmetically, any member of the Senate who could add and subtract had to know that the President's proposal would add billions to the federal deficit.

If the President's plan resulted in postponing retirement by, let's say, one million workers, that would save the security system about $4 billion. If that meant that one million workers who might have filled the vacancies of the retired remained jobless, that would cost Uncle Sam $20 billion out of the treasury. The net loss would have been at least $16 billion for one year.

More incredible, however, than the poor politics and the messy mathematics is the sheer incompetence of an Administration that is so out of touch with the leadership of its own party that it is unable to muster a single vote for a President's proposal.

THE PRESIDENT could hardly say that he was acting as he did because he had a "mandate" from the electorate. If he had a "mandate" it was quite to the contrary, because Reagan was quite explicit during the election that he would leave social security untouched.

So what happened? Some say that the Administration was drunk with success over its budget victory; others say that the White House was taking the Senate for granted. Still others say that the staff bypassed the boss in these days of Reagan's remarkable recovery.

But whatever the explanation, it is clear that the Republicans at one end of Pennsylvania Avenue did not talk with Republicans at the other end of the same avenue over a major matter. And that's plain incompetence.

Enough Work for All On This Small Planet

We share a small planet. We share the political and economic maladies experienced on that planet. And most of the solutions we seek within national parameters can be found only in international forums.

We here in this congress are fortunate people indeed. We are beholden to metalworkers wherever they work.

We espouse the cause of universal brotherhood.

We are an organization which confronts injustice by all the means we have.

We insist that the work to be done on this globe is more than sufficient to employ every man and woman—to provide wages sufficient for families to live in good health and in dignity —while they work and in retirement.

—Steelworkers President Lloyd McBride at the 25th World Congress of the International Metalworkers' Federation, May 27, 1981.

Less Coverage, Soaring Costs

California Failure Discredits Reagan Health Plan for Nation

The following article appeared in the New York Times on May 29, 1981. It was written by Philip R. Lee, professor of social medicine at the University of California, San Francisco, and Barry Esminger, a visiting scholar at the university.

PRESIDENT REAGAN'S budgetary policies would end 50 years of increasing federal responsibility for health. Before Congress moves precipitously to enact his health program, it should examine California's experience under Ronald Reagan as governor.

Under President Reagan's program, federal Medicaid payments would be capped and cut by $1 billion in fiscal 1982, $5 billion in 1985; 26 public health programs would be cut 25 percent and consolidated into state block grants; regulatory efforts to control spiraling medical costs through health planning, limits on unnecessary services by physicians, and promotion of health-maintenance organizations would be abandoned. Within several years, we are promised, there would be comprehensive health reform based on a newly revitalized private market.

In return for immediate cutbacks, the Administration offers states added "flexibility to target services to the truly needed." But half of America's poor are ineligible for Medicaid, and millions more have little or no private insurance. This year, 25 states have proposed further Medicaid reductions, and strapped municipalities are cutting public hospitals and clinics even as more uninsured patients seek care.

BEFORE 1971, California financed a broad range of medical services to welfare clients. Indigents who failed to qualify were treated in county hospitals and clinics, with the state paying most costs above 1965 county outlays for health. Medicaid and state supplements alleviated the local burden of medical care of indigents. Progressive income taxes replaced regressive property taxes. Counties upgraded old facilities and understaffed programs; access and the quality of care improved.

Then, in 1971 Gov. Reagan proposed, and the legislature passed, far-reaching Medicaid "reform." Like his 1981 proposal, it reversed the trend toward more equitable financing. The local medical cost pass-through was eliminated and replaced with restrictive state eligibility guidelines. In effect, state responsibility was "capped." Suddenly, counties were faced with many sick patients ineligible for state payments.

STATE COSTS were reduced but local health expenditures soared. Counties began painful retrenchment: More than 20 public hospitals closed, basic clinical services were curtailed, strict billing of near-poor families was instituted. A 1978 state health department report concluded: "Medical recipients, medical indigents, and the working poor have often been left with no place at all to go for medical or hospital care."

Still, costs rose. Los Angeles County alone experienced an eight-fold increase over 10 years despite stringent reductions in service.

THE CALIFORNIA EXPERIENCE teaches that the quick fix of federal funding cuts will reduce access to services and shift costs rather than reduce overall government spending. Americans believe in essential medical care, but someone must pay the bill for those who cannot. It can be paid by hard-pressed states and near-bankrupt cities, or it can be shared by all of us. We should follow all other industrialized nations and federalize these expenses.

What of rapidly rising medical costs? In proposing a return to the marketplace, Reagan forgets that Medicaid and Medicare were enacted because of market failure. He forgets that existing controls on costs, beds, and services were instituted after well-documented abuses by private providers.

Yet, we are confidently assured that the Reagan solution, based on large numbers of cost-conscious consumers enrolling in competing prepaid health plans, will work better. Once before, Reagan relied on the rapid, unregulated development of prepaid plans to reduce costs. The results were an unmitigated disaster.

HIS 1971 "REFORM" authorized state Medicaid contracts with prepaid health plans to deliver care for a fixed monthly sum. Little attention was paid to quality, competence, even honesty. Door-to-door solicitors enrolled recipients, often through misrepresentation. Many medical entrepreneurs got rich, but when people were sick doctors were frequently unavailable. Investigations and indictments followed. Reputable health maintenance organizations suffered guilt by association. Complex new regulations were issued to control abuses.

Understandably, the nation is frightened by high inflation and widespread unemployment. Before swallowing the Reagan health prescription for our economic sickness, Congress and the public should consider the past. Hasty action promises fewer services to sick and needy people, a wholesale shift of costs onto state and local taxpayers, and soaring new health bills. The prospects could hardly be worse.

Reagan Budget Impact

Transfer of Federal Programs Adds to Burden on States, Cities

STATE AND LOCAL governments face new financial strains as the Reagan budget shifts the administration and operation of programs now handled by various federal agencies, President Kenneth T. Blaylock of the AFL-CIO Public Employee Dept. said.

The quality of essential services will suffer, Blaylock said, not because state and local governments are inept, but because they are already bumping against the limits of their taxing ability. He said the so-called tax rebellion of California's Proposition 13 and Proposition 2½ in Massachusetts is likely to spread as states and cities try to raise the funds to carry out these new responsibilities.

Questioned by reporters on the network radio interview Labor News Conference, Blaylock stressed that many of the affected programs were consolidated at the federal level to ease the burden of "total administrative capability" for the programs in "several thousand jurisdictions." The Reagan budget cuts now force a return to fragmented responsibility and couple it with a 25-percent funding cutback, he pointed out.

Blaylock, who is president of the American Federation of Government Employees and a vice president of the AFL-CIO, said the Administration's budget-cutters could have saved billions of federal dollars by improving "poorly designed and poorly managed" federal programs rather than making across-the-board funding slashes.

HE SAID he has little faith in the President's call for inspectors general who are "meaner than junkyard dogs," pointing out that they will have "a very close relationship with each agency," and "junkyard dogs protect their own territory."

Reporters questioning Blaylock on the AFL-CIO produced public affairs interview, aired over the Mutual Broadcasting System, were Michael Causey of the Washington Post and Robert Cooney of Press Associates, Inc.



Washington Window

By Press Associates, Inc.

THE CIVIL RIGHTS and voter registration campaigns of the 1950s and 1960s focused national attention on the fact that millions of Americans still were barred from exercising one of their most fundamental rights—the right to vote.

A turning point came in early 1965, when Alabama Gov. George Wallace's state troopers clubbed and tear-gassed peaceful demonstrators led by Martin Luther King, Jr., to halt a march from Selma, Ala., to the state capital.

Ten days later, President Lyndon B. Johnson, in a dramatic address to the nation, proposed the landmark Voting Rights Act of 1965. After a long filibuster, it became law.

OVER THE NEXT seven years, more than a million black citizens were added to the voting rolls. In Mississippi, fewer than 7 percent of the state's eligible black voters had been registered the year before the Voting Rights Act was passed. By 1976, 67.4 percent were registered.

In addition, hundreds of thousands of poor whites were able to register because of the act's abolition of the literacy test and the poll tax, which were widely used in the South.

Congress extended the act in 1970 and again in 1975. Yet, what has been hailed as the most effective civil rights law in recent history is in danger of being lost or crippled by amendments. Most of the act's provisions will expire in August 1982 unless Congress extends the law.

IRONICALLY, the Voting Rights Act could become a victim of its success, since its critics argue that it is no longer needed. These critics also use the standard line about federal "meddling" in state and local matters.

While the Voting Rights Act did away with such blatantly discriminatory voting restrictions as the literacy test and made it a federal crime to intimidate anyone from voting, some local and state officials have been ingenious in devising new methods to accomplish the same objective.

These methods dilute minority voting strength by racial gerrymandering, annexations by a city or county, and switching from ward-type systems to at-large voting.

Under the Voting Rights law's "preclearance" section, the Justice Dept. has disapproved more than 800 local and state voting changes, most of them of the more subtle variety.

EVEN WITH the act, some cities, counties and states, especially in the Deep South, have continued to circumvent preclearance by failing to submit changes or by implementing changes which had been disapproved.

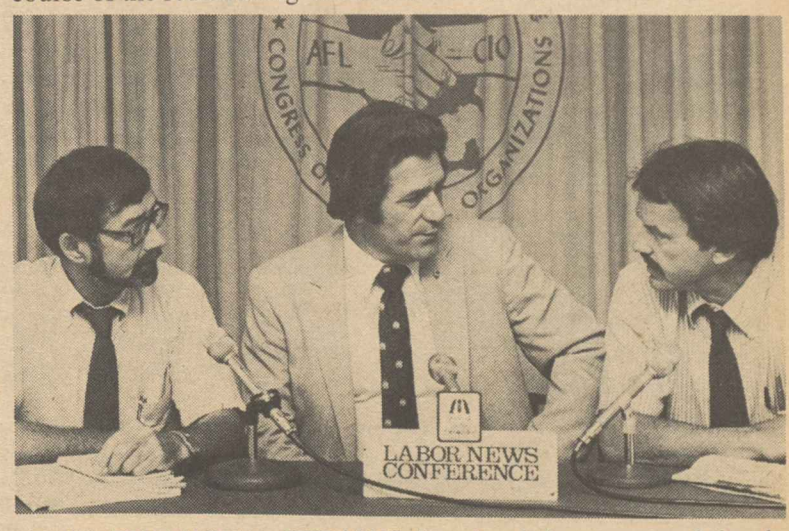
A notable example is Edgefield County, S.C., the home county of Sen. Strom Thurmond, chairman of the Senate Judiciary Committee, which handles the Voting Rights Act. No black person has been elected there in this century despite its black majority population.

Thurmond and other legislators, most of them from the South and Southwest, want to eliminate preclearance, the heart of the Voting Rights Act.

A SO-CALLED compromise bill, introduced by Rep. Henry Hyde (R-Ill.), ranking Republican on the constitutional rights subcommittee, would abolish preclearance unless a federal judge could be persuaded there had been a current pattern of abuses.

Civil rights advocates pointed out that the Hyde amendment would put the burden of proof on the victims of discrimination and necessitate the tedious, case-by-case litigation which was the practice prior to passage of the Voting Rights Act.

Legislation introduced in the House by Rep. Peter W. Rodino, Jr. (D-N.J.) and in the Senate by Charles McC. Mathias, Jr. (R-Md.) and Edward M. Kennedy (D-Mass.), would extend the Act until 1992. It thus would protect minority voting strength in the course of the redistricting which will follow the 1990 Census.



NEW FINANCIAL STRAINS lie ahead for state and local governments as the Reagan budget shifts the operation and administration of programs now handled by various federal agencies, President Kenneth T. Blaylock, center, of the AFL-CIO Public Employee Dept. warned on Labor News Conference. He was questioned by Robert Cooney, left, of Press Associates, Inc., and Michael Causey of the Washington Post.





REAGAN BUDGET CUTBACKS threaten sharp curtailment of federal safety programs to deal with the hazardous jobs in the nation's food processing industries. Grain elevator explosions thus far in 1981 have claimed 10 lives, while meat packing plants average 35 injuries a year per 100 workers.

The Reagan Budget

Cutting Where It Truly Hurts

Hermelinda Delgadillo pleaded with her husband, Pedro, last Apr. 7 to stay home from his job at the Corpus Christi, Tex., public grain elevator.

"He hadn't missed a day of work in 15 years," Mrs. Delgadillo said. "I said, 'Why don't you take Tuesday off?' But he didn't want to."

THE NEXT DAY, his body was found in the rubble left by explosions and fire at the grain elevator. Five of his fellow workers also were killed, and 33 others suffered serious injuries or burns.

So far this year, grain elevator explosions have caused ten deaths; the annual average is 60 fatalities.

The explosions result when the highly combustible mixture of grain dust and air in the elevators is ignited. A small spark can set off the elevator much as a match would a stick of dynamite.

But most explosions could be avoided with the installation of protective equipment. Exhaust systems, for example, would lower the concentration of dust in the air and shields over moving parts on machinery would reduce the risk of sparks.

THESE AND OTHER preventive measures were included last year in proposals for a grain dust standard to be developed by the Occupational Safety & Health Administration. It would have required grain elevator owners to keep dust levels low. Shortly after taking office, however, the Reagan Administration pulled back a number of OSHA standards for "cost-effective" review.

The effect is to put a price tag on human lives and limbs by measuring their loss against the cost to industry of meeting protective standards. OSHA's new administrator, Thorne G. Auchter, said the agency must "demonstrate clear and concise objectivity." He said "an analysis of costs and benefits" will indicate to OSHA what approach should be used in making policy decisions.

But the cost to workers represented by unions in the AFL-CIO Food & Beverage Trades Dept. is already too high. They have been and will continue to be hurt, literally, by the reduction in funds for safety and health.

MANY OF THE department's members work in food processing—cutting meat, packaging poultry and canning vegetables and fruits. While on the surface these jobs don't seem hazardous, a Bureau of Labor Statistics study of 1975-77 illness and injury occurrences found 18-food-related occupations with rates above the national average. The injury and fatality statistics show meatpacking to be among the most dangerous occupations.

Funding cuts for OSHA programs will undermine efforts to reduce these injury and illness rates in several ways.

This analysis of the impact of the Reagan Administration economic program was prepared by the AFL-CIO Food & Beverage Trades Dept. It is one of a series by the AFL-CIO News as a follow-up to recommendations stemming from AFL-CIO regional conferences.

FIRST, funds for New Directions grants are expected to be cut by $1.6 million. These grants underwrite the effort to alert workers to their job hazards. Through this program, workers are taught how to identify problems (and avoid injuries) as well as how to notify OSHA when employers neglect to correct dangerous workplace conditions. Where labor-management relations are congenial, workers and employers are encouraged to cooperate and correct unsafe situations on the spot without involving OSHA.

The health and safety of workers in the food and beverage trades will also be affected by cutbacks in the number of federal workplace inspectors. The number of trained inspectors is already insufficient. It is estimated, for example, that it would take until the year 2020 before each of the nation's five million workplaces could be inspected once by the present staff. The Reagan Administration's budget cuts are expected to cost OSHA about 130 permanent full-time inspectors through fiscal year 1982.

THE OSHA cutbacks also will have a ripple effect on other safety efforts. The oversight of state enforcement plans, notoriously weak, will be drastically curtailed. And in the face of a weakened OSHA, the "voluntary compliance" touted by the Administration could shrink even faster than the OSHA budget.

In another area affecting FBTD members, the Administration's 25-percent reduction in subsidies for federally funded community medical centers will pose serious problems for both the patients served by the centers and the workers who staff them.

Created in the mid-1960s during the Johnson Administration's "war on poverty," the medical centers are situated in poor inner-city areas or isolated farming communities where many residents cannot afford private physicians or health clinics. These areas have long found it difficult to attract trained personnel or pay for expensive equipment and facilities, and they are thus underserved by conventional medical care. But the federal subsidies have enabled many of them to offer comparable salaries for competent doctors, nurses and laboratory technicians.

THE 960 MEDICAL centers across the United States serve more than four million patients a year and employ nearly 10,000 health care workers. The Administration's 25-percent reduction in the medical center grants would mean that 445 centers would be forced to close, millions would be denied necessary health care and 4,500 workers performing health services would lose their jobs.

Ironically, the Administration's attempt to save money in this area will, in the long run, cost taxpayers as much as five times more in the form of Medicaid payments. Forty-three percent of all community medical center patients are eligible for Medicaid, which pays for most of their health care, such as doctors visits and lab fees, no matter what the cost.

In areas without medical centers, poor residents rely on hospital emergency room service when health care is needed, and the fees for such service run as much as five times the cost of a community medical center visit. The centers cut down on emergency room usage significantly. A 1979-80 government health study showed that in areas served by the centers, hospital admissions dropped by as much as 60 percent.

ANOTHER PROBLEM area for workers represented by FBTD unions is created by the Administration's plan to slash federal funding for Conrail and Amtrak.

Subsidies for Amtrak, the national rail passenger service, would be slashed 38 percent and those for Conrail eliminated altogether. About 72,000 railroad workers would lose their jobs on both systems. Remaining employees would be forced to make concessions in wages, benefits and job protections. Contributions to the already underfunded Railroad Retirement System will be diminished, threatening the ability to pay the one million senior citizens who are current recipients.

Ironically, these cutbacks are coming at a time when both Amtrak and Conrail are making strong efforts to attract more business. Amtrak has replaced its original fleet of aging cars with 1,600 new or completely refurbished electric cars. Stations have been upgraded and 650 miles of right-of-way purchased. Ridership has increased steadily over the last several years.

IN THE FIVE years since Congress created Conrail from the remains of bankrupt carriers, the railroad has made dramatic improvements. Track and equipment have been repaired and labor costs reduced. Operating losses have declined steadily.

Studies indicate that if Amtrak service is cut, more than half the passengers would resort to travel by automobile. Thus the demand for gasoline and other petroleum products would be heightened at a time when this country is trying to decrease its dependence on foreign oil. A comparison of energy consumption rates indicates that trains can operate 125 passenger miles per gallon of fuel against only 52 for automobiles.

Job Injury, Illness Rates In Food-Beverage Trades

INDUSTRY	1975	1976	1977	% CHANGE 1975 to 1977
Food and Kindred Products	18.3	19.3	19.5	+6.6%
Meat Packing Plants	31.2	34.7	33.6	+7.7
Flour & Other Grain Mill Products	15.4	14.8	15.3	−0.6
Cereal Breakfast Foods	16.3	15.5	16.5	+1.2
Rice Milling	19.9	20.7	18.3	−8.0
Blended & Prepared Flour	17.4	16.4	15.0	−13.8
Wet Corn Milling	9.9	10.2	10.4	+5.5
Dog, Cat & Other Pet Food	16.2	18.0	17.7	+9.25
Prepared Feeds	15.6	15.4	14.2	−0.9
Bakery Products	12.9	13.6	14.2	+10.1
Sugar & Confectionery	15.1	15.3	15.0	−0.7
Distilled Liquor, Except Brandy	14.7	16.1	16.0	+8.8
Wines, Brandy, Brandy Spirits	19.5	18.6	19.1	−2.0
Food Stores	10.2	10.8	11.4	+11.8
Flat Glass	16.1	17.8	19.4	+20.5
Glassware	14.5	14.5	15.0	+3.4
NATIONAL AVERAGE	9.1	9.2	9.3	+2.2

The injury and illness rates are per 100 workers in the industries listed. Source: U.S. Bureau of Labor Statistics.

Rental Charges Boosted

Senate Votes to Slash Housing Aid Programs

(Continued from Page 1)

housing construction and the growing number of moderate-income households displaced by condominium conversion.

The Reagan Administration budget sought a reduction to 175,000 units, but the Senate bill dropped the authorization to 150,000 to hold down budget costs.

The Senate did, however, approve an Administration proposal that would make public housing tenants pay up to 30 percent of their income for rent instead of the present 25 percent limit. The step-up would be phased in over five years.

IN ANOTHER move opposed by the AFL-CIO, the Senate bill would compel communities that now have rent control laws to repeal or modify them in order to qualify for federal housing funds. The restriction would affect an estimated 200 communities, including New York City and Washington, D.C.

The Senate bill also cut back on some other housing-related programs and follows the Administration doctrine of lumping together various programs into a "block grant" to states and then slashing the total amount available.

Democrats were unable to improve the housing bill through Senate amendments, but they did successfully put pressure on the Republican leadership to head off a threatened amendment to exclude federally-funded housing from prevailing wage requirements of the Davis-Bacon Act.

SEVERAL REPUBLICAN senators had indicated they might push for such an amendment, even though the Administration is in the process of using its regulatory authority to shrink the law's protection.

But the Republican leadership was anxious to move the housing bill through and a hint of a filibuster proved effective. The Democratic leadership passed the word that there could be no agreement on a time limit for debate if a Davis-Bacon amendment were proposed. The GOP leadership got the message, and no attempt was made to tie a Davis-Bacon repealer to the bill, which then passed 65-24.

In the House, a subcommittee has approved a bill that would provide 250,000 units of assisted housing. But the full committee has held up action on it pending completion of the budget reconciliation.

In other congressional developments:

● A House-Senate conference stripped two labor-opposed amendments from a supplemental appropriations bill.

It dropped a House-passed provision that would have banned a government contribution to any future health insurance plan for federal or postal employees that covered abortions. The fight against the restriction was led by Sen. Mark O. Hatfield (R-Ore.), who is a strong foe of abortions but told the Senate that Congress would be injecting itself into labor-management relations by dictating the form of health plan workers could negotiate.

It also deleted a House provision barring federal funds in connection with affirmative action programs involving numerical guidelines or goals.

● The House unanimously passed a Vietnam veterans bill that was opposed by the Reagan Administration. It directs the Veterans Administration to expand a study of health hazards associated with exposure to Agent Orange and other toxic chemicals used to defoliate Vietnamese jungles. And it extended for three years the program of store-front readjustment counseling centers for Vietnam veterans that the Administration sought to abolish.

● Political skirmishing over the nature of tax cut legislation continued with the White House alternating between carrot and stick tactics to pressure Democrats to agree to a "compromise" that would closely resemble the President's three-year package of business tax credits and a percentage cut in individual taxs heavily weighted toward the highest income brackets.



GEORGE MEANY PLAZA is dedicated in Jerusalem in memory of the late AFL-CIO president. Participating in the dedication are, from left, Israeli Labor Party leader Shimon Perez, Federation President Lane Kirkland and Vice President John H. Lyons, Jerusalem Mayor Teddy Kollek and Gen. Sec. Yerucham Meshel of Histadrut, Israel's labor federation.

AFSCME Wins 23,000-Member Group in Florida

Tallahassee, Fla.—The State, County & Municipal Employees won representation rights for some 23,000 Florida state clerical and administrative employees in an election that gave the union 77 percent of the vote. No other union was involved.

AFSCME's Florida Council 79, which the state employees now join, is the largest union in the state and already represents some 90,000 state, county, city, and school employees.

Council 79 President Tom Fitzpatrick said the AFSCME victory "will strengthen the union's clout at the bargaining table and in the legislature where important public employee issues are voted upon."

In coming weeks, Fitzpatrick said, state clerical and administrative workers will begin holding meetings throughout the state to draw up contract proposals and elect a negotiating committee. That committee will then begin negotiating with the state on a variety of workplace issues, cost-of-living issues, and career opportunities, he said.

GE Ordered to Pay Union For Costs of Sex Bias Suit

Cleveland—A federal judge has ruled that General Electric Co. must pay the Electrical, Radio & Machine Workers more than $80,000 in legal expenses incurred by the union while it was representing its members in a sex discrimination suit settled in 1979.

The ruling by U.S. District Court Judge John M. Manos is the first to make clear a union's right to ask for reimbursement of legal fees under provisions of Title VII of the Civil Rights Act of 1964 and the Equal Pay Act when the union wins a discrimination case for workers, according to Winn Newman, who handled the case as IUE's general counsel.

THE COURT ordered GE to pay $80,641 for IUE's legal costs and lawyers' fees accumulated during the course of a sex discrimination suit first filed in 1972 by IUE, its Local 707 and individual union members at GE's Cleveland lamp-making facility.

In 1979, a settlement was worked out between the company and the union which was approved by the same district court. In the settlement, GE agreed to provide $130,500 in back pay to male and female workers harmed by discrimination, to end discriminatory practices against women workers and to improve wage rates.

Although IUE attorneys had initially represented all the plaintiffs, Newman explained, the court had ordered separate counsel for each individual in the suit, and GE did agree to pay those legal fees under the provisions of the rights laws that allow payment of "a reasonable attorney's fee" at the discretion of the court to the party that wins.

The company refused to reimburse IUE's own expenses, claiming that that union had not shown it was representing its members in the suits, that it was not in itself harmed, that reimbursing a union would violate congressional intent, and that because unions are parties to collective bargaining agreements, they could be involved in the conditions that lead to such suits.

The court rejected the company's arguments, agreeing that IUE did show that it was representing the interests of its members through a wide variety of actions.

Mine Workers Balloting on New Coal Agreement

Striking miners are voting on a new contract with the soft-coal industry that would boost their hourly earings $3.60 over the life of the agreement.

If ratified, the 40-month accord would end a walkout that has closed bituminous mines in eastern and midwestern states since Mar. 27, when the old agreement expired. The contract covers some 160,000 members of the unaffiliated United Mine Workers.

UMW PRESIDENT Sam Church, Jr., told newsmen the settlement with the Bituminous Coal Operators' Association was "a very good contract." He expressed optimism that members of the union, who voted 2 to 1 against an earlier agreement, would approve it. Ratification would end the strike on June 8—73 days after it began.

The latest settlement, on May 29, removes most of the points of objection in the initial pact.

The new contract provides a 37.5-percent increase in wages and fringe-benefit improvements over the next three and one-half years. Wages for most top-scale miners would rise to $14.16 an hour from the current $10.56.

AMONG THE agreement's key provisions is a clause restoring welfare-fund royalties on non-union coal purchases by union-operated mines. Elimination of the old $1.90 per-ton fee in the initial agreement had been cited as a principal cause of its rejection by rank-and-file members. The contract also drops a 45-day probationary period for new employees and tightens rules governing the use of non-UMW subcontractors at mine sites.

The agreement had the strong endorsement of the union's 39-member bargaining council, which with only two dissenting votes cleared the proposed contract for ratification by the miners.

Pilots Stress Safety Factor in Crew Size

New jet aircraft technology increases pilot workload substantially and makes a three-member crew a vital margin for safety, Air Line Pilots President J. J. O'Donnell told a presidential task force. The independent panel is investigating whether new high technology passenger airliners require a two or three-member cockpit crew for maximum safety.

In his opening statement, O'Donnell stressed that the union's main concern in the issue is air passenger safety. He said technological improvements are welcomed by pilots, but they have so far been designed to increase the efficiency and usability of the equipment rather than add to human capabilities.

"NEW TECHNOLOGY should not be given credit for a particular advantage such as workload reduction if its actual use in operations does not produce workload reduction," O'Donnell said, rejecting industry claims that new aircraft such as the McDonnell Douglas Super 80 and the Boeing 757 and 767 are so advanced they can be safely flown by only two pilots.

O'Donnell called for a "revamping" of the Federal Aviation Administration's certification procedure for new aircraft. He told the panel that the union's attempts in the past to participate in the certification process "received superficial treatment and then were ignored" by the FAA which dealt only with the manufacturers and air carriers.

In addition to increased cockpit workload, O'Donnell pointed out, the growth in air traffic expected to take place in the next 10 to 15 years will complicate the "hostile environment" in which airline pilots must operate.

THE FACT THAT airport safety facilities, air traffic control equipment and collision avoidance systems are not likely to keep up with increased demands on flight crews underscores the need for the third crew member in "Monitoring, cross-checking, visual surveillance and pilot redundancy," O'Donnell testified.

O'Donnell, whose union represents 33,000 pilots, pointed to studies of reported near-accidents and other safety hazards which show that "flight crew distraction is the most frequently reported human factor" in the documented records.

He said the data prove the value of the third crew member in "screening distractions, reducing task overloads, and monitoring the actions of other crew members" in the vast matrix of communications and demands that pilots face routinely on the flight deck.

"FLYING THE line in commercial transportation demands a professionalism which is unremitting," O'Connell emphasized. "There is no room for missed items in a checklist," he said." There is no place for inattention at any point in our hostile environment."

The panel was named by President Reagan in late February in response to a nationwide air safety publicity campaign mounted by the ALPA which had scheduled a work stoppage to dramatize the crew complement safety issue.

The panel is to report its findings by early July. It is chaired by former FAA Administrator John McLucas and includes Fred J. Drinkwater, a physicist and former Marine pilot, and Lt. Gen. Howard W. Leaf, inspector general of the Air Force.

Metalworker Delegates Stress Solidarity as Key To Peace, Justice, Jobs

By James M. Shevis

The International Metalworkers' Federation, at its 25th World Congress in Washington, renewed its commitment to international labor solidarity as the primary instrument for achieving peace, justice, and jobs.

"Workers and their unions want peace because this is the prerequisite for social welfare and progress," declared IMF President Eugen Loderer. "We want social justice. That means the promotion and realization everywhere in the world of human and trade union rights.

"WE SEE OUR most important political task, however, in combating unemployment and creating jobs for the millions of unemployed and underemployed people."

The 500 delegates from 70 countries adopted a wide-ranging series of resolutions pledging themselves to economic, social, and political programs to attain their goals, thereby improving the lot of the nearly 14 million workers represented by the federation. The Geneva-based organization functions as a coordinating body for 170 unions representing auto workers, steelworkers, aerospace, shipbuilding, and other metal trades employees in the non-communist world. Eleven of the unions, representing about 3.6 million workers, are AFL-CIO affiliates.

In a report on world economic development, the IMF warned that the world economy is at a crossroads "with disquieting indications of settling into a long, deep, and disastrous recession."

The report said that sharp attacks on socially progressive forces are underway in several nations. "Some economists and politicians in western industrialized countries are returning to theories which were discredited during the world crisis of the Twenties and the Thirties through monetarism, wage cuts, and general deflation policies," the report said, adding:

"This reactionary wave is challenging the concept that governments can and should seek to guide economic forces for the benefit of society as a whole."

THE SUREST signs of the world's poor economic health are rapidly increasing joblessness generally and a new surge of unemployment in industrialized countries to a level unprecedented in the past 40 years, the IMF said.

Unemployment in the less developed countries is virtually impossible to measure, but estimates of between 20 and 40 percent for many individual nations are common, and underemployment often affects another 25 to 30 percent of the labor force, the federation said.

In the 23 industrialized nations that make up the Organization for Economic Cooperation & Development, total registered unemployment is likely to exceed 23.5 million in 1981, the IMF pointed out. By mid-1982, another 2.5 million unemployed workers are anticipated so that joblessness will reach 26 million. This will mean an increase in the average unemployment rate in the industrialized countries from 6.5 to 7 percent, the IMF observed.

As one means of creating jobs, the IMF reiterated its call for a substantial reduction in working time without reduction in income. It set a goal of a maximum 40-hour workweek worldwide and a 35-hour week in the more advanced nations.

IMF GEN. SEC. Herman Rebhan reported to the congress that the federation's campaign for a reduction in working time —launched two years ago at a world conference in Geneva—had already achieved positive results. In Britain, 2 million engineers won a 39-hour week. In Australia, there has been a move toward the 35-hour week and a "nine-day fortnight." And, he noted, many IMF affiliates in the United States have secured more holidays and personal time off for their members.

Rebhan and other speakers at the week-long conference laid heavy emphasis on the need for unions to increase their international roles to cope with developments in the world economy and trade.

"THE SPIRIT of trade unionism must be more than ever based on internationalism," said Rebhan. "The lives and prosperity of all our members are now based on an international economic interdependence that makes a mockery of national frontiers."

In every case of plant closure reported to the IMF in the past year, he said, a key factor involved a corporation or a raw material or an equivalent but lower-priced product that was based or originated outside the country of the closed plant.

AFL-CIO President Lane Kirkland told delegates that the problems of working people are too vast for any nation or national labor movement to deal with alone.

"Labor must internationalize to the extent that industry has done so," he said. "In today's world, if the IMF did not already exist, it would be a matter of the greatest urgency to invent it."

Steelworkers President Lloyd McBride, whose union is one of IMF's largest affiliates, noted that the labor secretariat "espouses the cause of universal brotherhood" and "confronts injustice by all the means" at its disposal.

AMONG THE 19 resolutions approved by the congress were a pledge of solidarity with black metalworkers' unions in South Africa and a condemnation of the Soviet Union for its invasion of Afghanistan and its war of nerves with the Polish free labor federation, Solidarity. Another resolution deplored the "growing attacks on trade union rights, even in the advanced countries."

The delegates, holding their first congress outside Europe since the IMF's founding in 1893, voted to hold the next congress in Tokyo in 1985.



POLISH STEELWORKER Mieczyslaw Gil expresses gratitude for the moral and material support given Poland's new, independent labor federation, Solidarity, by western unions. Gil was part of a Solidarity delegation attending the 25th World Congress of the International Metalworkers' Federation in Washington. With him above are Szbigniew Przydial, center, and Jacek Kurczewski.

Stronger Standby Authority Sought to Remedy Oil Crises

Congress was urged by the AFL-CIO to renew and strengthen the President's standby powers to control oil prices, allocate scarce petroleum supplies and impose gasoline rationing.

Most of the President's existing standby authority will end when the Emergency Petroleum Allocation Act expires on Sept. 30. The emergency powers should be preserved through permanent law rather than a stop-gap extension, AFL-CIO Associate Legislative Director Howard Marlowe said.

MARLOWE TOLD the Senate Energy & Natural Resources Committee that leaving allocation of petroleum products to the marketplace during periods of shortages "is to invite economic chaos."

Without government allocation powers, he warned, prices would soar and people who need cars to go to work or who rely on oil to heat their homes would be hardest hit. He cited estimates that a 20-percent shortfall of crude oil supply in a free market would push the price of a gallon of gasoline to over $7.

Marlowe urged the committee not to assume that the present "worldwide glut of oil" will continue. "When the United States and other industrial countries restore their economies to a condition of sustained growth, petroleum shortages will again become the prevailing condition," he said.

"THE UNITED STATES should not wait for a catastrophe," he urged. And it should have in place a program for rationing gasoline that could be implemented when needed. Present law authorizes gasoline rationing when supplies are at least 20 percent less than demand. Rationing should be allowed at even a 10 percent shortfall, Marlowe urged.

He recommended a two-tier plan that the AFL-CIO has proposed.

The first tier would provide for free ration coupons, half based on the number of registered vehicles and half on the number of licensed drivers. Consumers could sell or trade these coupons without penalty.

IF THERE ARE additional supplies of gasoline, the government would sell coupons on the open market at a fixed price.

Marlowe stressed that the AFL-CIO's support for gasoline rationing "stems from our conviction that rationing is an equitable alternative to price increases as a means of dealing with emergency shortages as well as longer term conservation goals."

The AFL-CIO's assumption, he said, is that a rationing program would operate "in tandem with controls on gasoline prices." That link should be made "an explicit part" of whatever standby rationing program is submitted to Congress.

Healey Elected New President of Plate Printers

Delegates to the 79th convention of the Plate Printers, Die Stampers & Engravers in Washington elected Neil Healey of Local 58, New York, to a two-year term as the union's president.

Healey succeeds Angelo LoVecchio, 69, who retired after serving two terms as president.

Sec.-Treas. James Donegan, Jr., of Philadelphia was re-elected to his sixth term.

Elected to their first terms were Harold Ryan of Local 29, New York, who will be first vice president, and Ed Majors of Local 6, Ottawa, who will serve as second vice president.

Also re-elected to the union's executive council were William Hoyt of Local 1, New York, and Robert Vass of Local 2, Washington. They will be joined on the council by Frank Leone, Local 24, Washington; Al Merkh, Local 25, New Jersey; Ben DeCaito, Local 26, New Jersey; Mike Ryan, Local 28, New York; and Marty F. Freda, Local 58, New York.

The convention voiced the union's firm opposition to proposals in the printing industry to introduce a variety of flexible time schedules so as to keep presses operating seven days a week. Such arrangements could force unwanted weekend work and irregular schedules on many workers in their industry, the delegates agreed.

The union's members in the United States and Canada specialize in the printing of U.S., Canadian and foreign currencies, stock certificates, bonds, bank notes, food coupons and other types of high-quality printed material.

Tuition Tax Credit Protested As Blow to Public Education

(Continued from Page 1)

gains made toward school integration is another likely result, Shields testified.

Taxpayers would be hit twice, she pointed out, once to finance public schools "and the second time to subsidize a tax credit for non-public schools."

Shields argued that the tax credits would provide four times as much aid per pupil for private school education as now goes to public education. About 59 percent of the credits would go to families with incomes over $25,000 with the share of benefits at both elementary and secondary levels increasing as family incomes grow higher, she said.

THE AFL-CIO is not opposed to federal aid to private schools such as that provided under the Elementary & Secondary Education Act and other federal programs, Shields emphasized.

Federal aid that helps buy books and instructional materials, provides library resources, guidance and testing and specialized education programs should continue, Shields told the committee.

Tuition tax credits, however, would be "a wide departure" from the concept of the federal government's role in education as spelled out in ESEA which targets federal aid, she asserted.

Shields also noted that because the majority of students in private schools attend church-affiliated institutions, giving tuition tax credits to those students could raise constitutional questions involving the separation of church and state.

The tuition tax proposal, she said, could lead to the undermining "of one of the greatest achievements of American democracy: a school system for all children which will provide them with the education to realize their maximum potential."

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Unemployment Rate Climbs to 7.6%

8.2 Million Seek Chance For Work

By James M. Shevis

Unemployment in the United States—now at nearly 8.2 million—shot to its highest level since last October, the result of slower job creation and layoffs in construction and in some manufacturing industries, the Bureau of Labor Statistics reported.

After holding steady for several months, the nation's jobless rate rose three-tenths of 1 percent to 7.6 percent in May, the largest one-month jump since May 1980. The sharpest increase occurred among adult men. Their jobless rate climbed to 6.3 percent, from 5.8 percent the month before.

CONSTRUCTION WORKERS were particularly hard hit. Their jobless rate rose from 14.4 to 16.3 percent last month. The construction industry is suffering from high mortgage interest rates, which are choking demand and making it more expensive to finance new homes and buildings.

There was also a high number of layoffs in the auto manufacturing and related industries as car sales turned down after surging early in the year.

BLS Commissioner Janet L. Norwood, appearing before the congressional Joint Economic Committee, said that the size of the May increase in joblessness was "significant," but added that employment is still growing although at a relatively weak pace.

"The labor force, which increased very little in 1980, has grown rapidly over the last few months," she said. "Employment in May did not keep up with the pace of labor force growth, and unemployment rose."

TOTAL EMPLOYMENT in May "grew more than expected at this time of year," Norwood said. The number of jobs in the economy increased by 259,000 to 99.2 million. At the same time, however, the work force expanded by 684,000 to 107.4 million, thus increasing unemployment by 425,000. The figures were adjusted to eliminate the effects of seasonal economic fluctuations.

Unemployment increased among all worker groups in May. For women, the rate went to 6.8 percent, from 6.6 percent. The rates for full-time workers, teenagers, and blacks each rose by four-tenths of 1 percent, to 7.3, 19.5, and 13.6 percent, respectively. White unemployment increased to 6.8 percent from 6.6 percent, and joblessness among Hispanics increased to 10.2 percent, from 9.1 percent.

The labor force participation rate, which is the civilian labor force as a percentage of the total population, climbed to 64.6 percent in May, its highest rate ever. Last month's 64.3 percent participation rate was the previous all-time high.

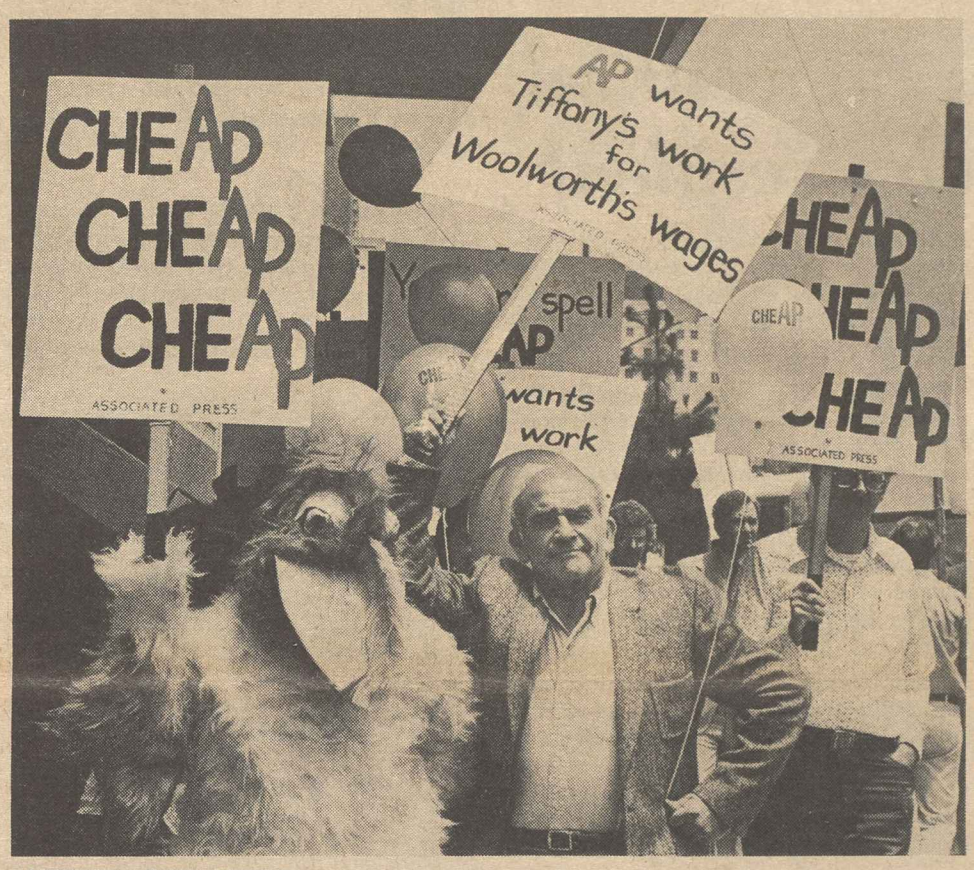
The decline in construction jobs last

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Senate Food Stamp Cut Bars Strikers' Families



NEWSPAPER GUILD members seeking a fair settlement on a new contract with the Associated Press were joined on an informational picket line in Los Angeles by actor Ed Asner, a television series newspaper editor, and "Cheap Chicken," the Guild's symbol for AP's wage proposal.

Changes Hit Low-Income Households

By David L. Perlman

The Senate voted to cut back food stamp assistance to low-income households and prohibit food assistance to the family of a worker who goes on strike, regardless of need.

Its actions will reduce the food allotment to most of the 22 million persons now being helped and drop an estimated 1 million from the rolls entirely. Households of strikers normally make up only a fraction of 1 percent of food stamp recipients. The chief losers from the Senate bill will be low-paid workers whose paychecks aren't enough to meet family needs.

ANTI-STRIKER amendments have been regularly proposed over the years, even though increasingly tight eligibility standards for all food stamp recipients meant that a striker's family would have to exhaust virtually all its resources before qualifying for assistance.

In the Carter Administration, the Senate voted down an anti-striker amendment to a food stamp bill by a decisive 48-26 margin. But this time around, in the Republican-controlled Senate, a ban on food stamps to strikers or their families was included in the bill sent to the floor by the Agriculture Committee and routinely approved without a separate vote.

The only fights, in fact, were over right-wing attempts to slash the food stamp program still further. The Agriculture Committee had already cut the program's costs below the Reagan Administration budget, so the committee bill survived intact.

(Continued on Page 8)

37 Groups Assail Blow To Affirmative Action

By Susan Dunlop

Labor Dept. proposals to water down affirmative action obligations tied to federal contracts will set back the progress of women and minorities toward equal employment goals, the AFL-CIO, civil rights and women's groups warned the Reagan Administration.

Thirty-seven organizations endorsed a letter signed by AFL-CIO President Lane Kirkland and sent to David Stockman, director of the Office of Management & Budget, urging the Administration to reconsider its proposed "drastic changes" in contract compliance.

THE GROUPS charged that if the federal government backs away from making affirmative action a firm requirement for letting its contracts, it could mean "the death knell for the federal contract compliance program, for 40 years a vital element in the national effort to provide equal employment opportunity."

Kirkland's letter stressed that women and minorities continue to experience discrimination in employment, and that "more vigorous equal employment opportunity enforcement" is needed.

The Labor Dept.'s proposed changes in its rules include substituting "self-monitoring" by contractors for much of the enforcement. Such a policy, Kirkland said, would be taken as a "signal for backsliding" by contractors.

"Discrimination cannot be remedied by depending on voluntary efforts by the very contractors whose unlawful discriminatory practices continue to bring them unjust enrichment," the letter charged. Compliance rules assure that the government does not reward or participate in discrimination, Kirkland pointed out.

Organizations joining in the letter in-

(Continued on Page 7)

UAW Executive Board Vote Unanimous for Reaffiliation

Detroit—The executive board of the Auto Workers has voted unanimously for reaffiliation with the AFL-CIO, a move that both UAW President Douglas A. Fraser and AFL-CIO President Lane Kirkland said will strengthen the labor movement in a critical period.

The unity move had been authorized by UAW convention delegates earlier this year and Fraser said the UAW officers had "a successful exchange of views" with Kirkland and AFL-CIO Sec.-Treas. Thomas R. Donahue at a recent meeting. They then recommended that the UAW board "move promptly on reaffiliation."

The final formality after the UAW reaffiliation letter is received will be approval by the AFL-CIO Executive Council, which will be sought in a telegraph poll. The UAW's 1.2 million member in the United States will be affiliated with the AFL-CIO and its Canadian membership continues to be affiliated with the Canadian Labor Congress.

Fraser said the UAW, as part of the AFL-CIO, will work with the federation and other affiliates in resisting President Reagan's proposed cuts in social security benefits, pressing for lower interest rates and for an end to "recessionary economic policies."

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Supreme Court Upholds Suit on Sex Bias Claim

The Supreme Court ruled that women may sue under the Civil Rights Act to remedy illegal pay discrimination without basing their claim on an employer's refusal to pay equal wages to men and women doing substantially equal work.

Its 5-4 decision concluded that Title VII of the 1964 Civil Rights Act gave women workers more grounds to challenge pay discrimination than they already had under the Equal Pay Act of 1963. That's the conclusion the AFL-CIO and other labor groups had urged in a brief to the Supreme Court earlier this year.

Justice William J. Brennan, Jr., writing for the majority, stressed that the issue before the court did not involve what he

(Continued on Page 3)



CAUCUS OF worker delegates to the International Labor Organization conference in Geneva included, from left: Morris Paladino, director of the Asian American Free Labor Institute; AFL-CIO Assistant International Affairs Director Michael Boggs, and Irving Brown, AFL-CIO international representative and the U.S. worker delegate to the ILO.

Walesa Acclaimed

ILO Delegates Applaud Spirit of Polish Labor

Geneva—Lech Walesa, leader of Poland's independent labor federation Solidarity, gave his fight for free trade unionism in a country living under the shadow of the Soviet Union a global dimension in an address that electrified the annual assembly of the 145-nation International Labor Organization.

"I want to stress our solidarity with workers everywhere," he proclaimed as the first free trade unionist from a country trapped in the Soviet orbit to address the ILO conference as an official worker delegate.

THE SOVIET delegation remained frozen as applause exploded in the huge assembly hall, packed with some 1,800 trade unionists, government officials and business executives, when Walesa finished speaking.

Before the former Polish shipyard worker could leave the platform the conference's president, Senegal's labor minister Alioune Diagne, interrupted the waves of applause.

He told Walesa:

"The religious silence with which you were heard and the loud and prolonged applause that greeted your address prove, if such proof was still needed, the intense interest with which the world is following your efforts and those of your union Solidarity."

Shunning oratorical flourishes, Walesa had told the assembly that the social and political reform movement that Solidarity had triggered by the use of labor's "traditional weapons of strikes and demonstrations" was irreversible. And in a clear allusion to the Soviet Union to keep hands off he warned that "no outside interference should attempt to halt the process" of democratic change under way in his country.

WHEN PROCLAIMING the solidarity of his union with workers everywhere, Walesa said it joined in the fight of all real trade unions for the "protection of the social interests of workers, for the dignity of labor and for the defense of human rights wherever they are violated."

AFL-CIO International Rep. Irving Brown observed that Walesa, in his simple and direct approach before the ILO, "has identified the struggle for free trade unionism in Poland with the international struggle for free trade unionism everywhere."

"What is particularly important about Walesa," the U.S. worker delegate continued, "is that he has demonstrated in a country where no one believed it could be done that free trade unionism is the aspiration of all workers."

Brown joined other free workers in sponsoring a resolution outlining action the ILO should take to assist the Third World to meet the ILO standards on living and working conditions.

Other resolutions proposed by the free workers call for an intensification of training programs and of planning to ensure that workers benefit rather than suffer from the introduction of new technologies into the economy.

The ILO is a unique tripartite organization with each member nation represented by worker, employer and government delegates.

Firemen-Oilers Convention Elects Francisco President

Bal Harbour, Fla.—Delegates to the Firemen & Oilers' 30th convention here elected Sec.-Treas. George J. Francisco by acclamation to assume the union's presidency for the next five years.

Francisco, who has held a wide variety of positions in the Firemen & Oilers, succeeds John J. McNamara, who announced his retirement. McNamara became president in 1975 and will serve as president-emeritus.

FRANCISCO HAS served as president of the union's Local 520 in Buffalo, N.Y., as vice chairman of New York State Council, and as international representative of the union's commercial division in the Buffalo area.

In 1975, he was appointed to the secretary-treasurer's post and a year later elected to a full five-year term. During his career, he has represented the Firemen & Oilers in negotiations with the railroad industry.

Elected to succeed Francisco as secretary-treasurer was First Vice President Michael Matz of Philadelphia Local 473.

An executive board member of the international the past 12 years, Matz is also vice president of the Philadelphia Council of the AFL-CIO and of the Philadelphia Maritime Port Council.

THE 400 DELEGATES re-elected five vice presidents and elected a new vice president, William McDevitt of Philadelphia, to fill the vacancy created by Matz's elevation.

Delegates also adopted a number of constitutional changes, including a per capita increase to strengthen the union's financial position for the struggles ahead.

Current per capita for members of the Firemen & Oilers division is $3 a month and $3.50 a month for members of the union's commercial division. As of Aug. 1, the per capita for both divisions will go up $1 a month. Another 50-cent increase takes effect on Aug. 1, 1983, and an additional 50-cent boost on Aug. 1, 1984.

THE CONVENTION approved salary increases from $44,000 to $50,000 for the president and from $38,000 to $44,600 for the secretary-treasurer.

In his opening remarks to the delegates, McNamara warned of the difficult times facing organized labor today.

"Everywhere we turn, it seems, we face relentless pressures—the elimination of jobs, loss of membership, and a renewed barrage of attacks by anti-union forces," he said, urging that labor begin now to prevent gains by conservatives in Congress next year.

AFL-CIO Sec.-Treas. Thomas Donahue charged that the Reagan Administration seeks to sweep away 50 years of social progress with its budget cuts.

Under the budget reductions, "we're the ones who will pay the price of social security cuts, and at the gas pumps," he said. "The brazen attempts to cripple the Occupational Safety & Health Act and turn back the clock on worker protections clearly endanger human lives and challenge human dignity.

"WE FOUGHT too hard and have come too far to let anyone take that away from us now."

President Jacob Clayman of the National Council of Senior Citizens told delegates of the massive mail and telephone protests that greeted the Administration's announcement on proposed changes in the social security system. "These protests led to a unanimous, 96-0, bipartisan vote in the Senate to disapprove the recommendations," he said.

Resolutions adopted by the convention included a call on Congress to stand up to the threat to hard-won, social reforms and defend programs of proven value. Delegates called for the mandatory use of coal as a primary fuel in all commercial power plants, and supported Poland's independent labor federation, Solidarity.

Sal Hoffmann Dies At 82, President Of Upholsterers

Philadelphia—Sal B. Hoffmann, president of the Upholsterers for the past 44 years, died June 9 at his home here. He was 82.

Hoffmann began his trade union career as a member of UIU Local 77 in Philadelphia in 1920. He held a number of key elected positions with the local during the '20s and '30s and as an international organizer.

Hoffmann was first elected UIU president in 1937 and was re-elected at each subsequent union convention. His most recent four-year term began in 1978.

In a letter to Hoffmann's family, AFL-CIO President Lane Kirkland and Sec.-Treas. Thomas R. Donahue praised his "distinguished career" as a leader of the union. They added that "his long and productive life was dedicated to serving working men and women, and his long tenure as president is proof enough of the members' respect and affection."

Under Hoffmann's leadership, the UIU established a health and welfare fund in 1944 and a national pension plan in 1953. He served as chairman of both funds at the time of his death.

Survivors include three children and 10 grandchildren. His wife Frances died last year. Services were held at Assumption Church in Philadelphia June 11 and interment was at Whitemarsh Memorial Park in Prospectville, Pa.

Wholesale Index Increase Slows As Prices Ease

Steady food prices and the first drop in fuel prices in over three years combined to hold producer-level inflation to four-tenths of 1 percent in May, the smallest monthly rise this year.

Last month's rise in prices of finished consumer goods was only half as large as that of April, and compared with a 1.3 percent increase in March. The finished consumer-goods component of the government's producer price index excludes capital goods, and is the one that economists find most useful in projecting retail price changes.

The finished goods index now stands at 268.9 percent of its 1967 base, which means that goods that cost $10 then now cost $26.89.

THE BUREAU of Labor Statistics, which reported the price changes, said that the index for intermediate goods such as flour and cloth rose five-tenths of 1 percent following a 1.1 percent increase in April.

The index for crude goods such as wheat and cotton, fell by that amount after rising 1.5 percent in April.

BLS said that the five-tenths of 1 percent decline in finished energy prices was the first decrease since February 1978.

Consumer food prices were unchanged for the second month in a row.

Everything besides food and energy went up six-tenths of 1 percent at the dealer's level.

Prices of gasoline, which is now in significant over-supply, fell 1.8 percent during May while home-heating oil prices fell 1.2 percent. Natural gas, however, rose in price.



AT SENATE HEARINGS, AFL-CIO Education Director Dorothy Shields warned that tuition tax credits for students in private schools and colleges would weaken the nation's public education system and drain needed federal revenues. Assistant Research Director Arnold Cantor and Legislative Rep. Stephen Koplan joined in presenting the AFL-CIO's position.

Illinois Unions Rally Against Anti-Labor Bills

20,000 March In Protest at State Capitol

Springfield, Ill.—Some 20,000 union members from throughout the state jammed the capitol grounds here to protest attempts to enact anti-labor legislation.

The Labor Lobby Day rally was called by the Illinois AFL-CIO and other labor groups around the state after the Republican-controlled House Labor Committee had approved a so-called "right-to-work" bill.

Labor's campaign against the measure was so intense that it was defeated overwhelmingly when it came up on the House floor for a vote, 138 to 25.

"'RIGHT-TO-WORK' was defeated here, and do you know why?" State AFL-CIO President Robert G. Gibson asked. "That union-busting measure went down because they knew you were coming.

"We are here to say to those who voted for the phony 'right-to-work-for-less' bill that they should be ashamed. They and others who scorn labor, who vote against the poor and the defenseless, these are the people we'll be meeting at the ballot box in 1982."

Gov. James R. Thompson, the only Republican to address the rally, pledged not to let any anti-union bills get past his desk. He praised the labor movement for its unified effort, and declared: "Right-to-work is dead in Illinois, and it will never be alive in this state again."

Jerry Hawkins, Mine Workers legislative director in Illinois, told the anti-union members of the General Assembly: "We are keeping score, and we have long memories. Business may have the money, but we have the numbers."

SINCE THE November elections, Republican members of the House—now a majority of the membership with 91 representatives, compared to 85 Democrats—have espoused a series of anti-labor measures.

Such bills have provided for a reduction in jobless benefits, a virtual destruction of workers' compensation benefits, and repeal of the prevailing wage act and the safe scaffolding law. Another bill calls for a year's notice before a union can strike.



ILLINOIS TRADE UNIONISTS rally at the state capitol in Springfield to protest attempts by the legislature to enact anti-labor measures. The turnout of 20,000 union members was the largest demonstration ever held at the capitol.

New Coal Pact Approved by 2-to-1 Margin

Soft-coal miners in eastern and midwestern states ended their 10-week strike after voting overwhelmingly to ratify a new agreement, but stalled contract talks between mine construction workers and the industry delayed the reopening of some mines.

Members of the unaffiliated United Mine Workers approved the pact by the same 2-to-1 ratio that they rejected an earlier proposal. The new contract raises wages and benefits for about 160,000 miners by 38 percent over 40 months.

THE MINERS' contract with the Bituminous Coal Operators' Association ended a walkout that began Mar. 27 when the old agreement expired. Nearly 11,000 UMW construction workers who bargain separately with the Association of Bituminous Coal Contractors left their jobs on the same date to honor the underground workers' picket lines, even though their contract did not expire until Apr. 6.

Over the contract's 40-month life, hourly wages are to rise by $3.60, to $14.30, for miners at top scale. The pact also restores a pension fund royalty that the coal companies must pay on coal they buy from non-union mines.

Loss of the royalty was one of the major issues cited by the miners when they turned down the initial agreement.

Decision in Pay Discrimination Case Provides New Legal Tools for Women

(Continued from Page 1)

termed "the controversial concept of comparable worth." The comparable worth theory would test for sex discrimination by matching the pay of jobs that are comparable in skill, effort and responsibility.

THE CASE that reached the Supreme Court was brought by a group of matrons at a county jail in Oregon who charged that sex discrimination was largely responsible for the big gap between their pay and the pay of male employees with a number of the same duties.

A federal district judge ruled against the matrons, holding that their claim did not meet the equal work test of the Equal Pay Act. He interpreted an amendment that the Senate added to the Civil Rights Act as barring pay claims that would not be upheld under the Equal Pay Act.

The 9th Circuit U.S. Court of Appeals agreed that the suit could not be sustained on the basis of the Equal Pay Act. But it said that the women employees should have an opportunity in court to prove their contention that their lower pay is the result of sex discrimination and therefore violates the Civil Rights Act.

BRENNAN NOTED that the matrons claim in their lawsuit that the county had concluded after a job evaluation study that the women were entitled to a pay rate only 5 percent below that of the male officers, but nevertheless paid them 30 percent less than male employees.

He agreed with the appellate court conclusion that the case should be sent back to the district court to hear further evidence on whether the wage disparity was the result of sex discrimination.

Joining in the majority decision were Justices Byron R. White, Thurgood Marshall, Harry A. Blackmun and John Paul Stevens.

A dissent by Justice William H. Rehnquist contended that there is no evidence Congress intended to go beyond the "equal pay for equal work" criterion when it passed the Civil Rights Act. He complained that the narrow grounds of the majority decision will have little application to other cases.

IN ANOTHER decision, the Supreme Court ruled that employers are not required to pay unemployment and social security payroll taxes on the value of food and lodging they provide workers on remote job sites, such as offshore oil rigs. Employees are not taxed on these fringe benefits because they are provided "for the convenience of the employer."

The Supreme Court declined to review and thus made final a ruling by the U.S. 5th Circuit Court of Appeals that the National Labor Relations Board erred in not counting a ballot cast in a union representation election in which the voter wrote the word "No" on the back of the ballot instead of marking an "X" in the box on the face of the ballot. The appellate court reasoned that since the election was a simple choice between one union or no union, the employee's intent was clear.

Melvin Roots Picked To Head Plasterers

Melvin H. Roots, executive vice president of the Plasterers & Cement Masons since 1970, has been chosen president of the union, succeeding the late Joseph T. Power.

Roots, 57, was named by the union's executive board and will serve until the convention in 1984. The board named Vice President James J. Boyle of Washington, D.C., to succeed Roots as executive vice president.

An Oakland, Calif., native, Roots joined the OPCM in 1945, served as president of OPCM Local 112 in Oakland and as head of the union's California state conference. He was an organizer before his election as a vice president of the international in 1956.

High Court Asked to Uphold Confidential Employee Rights

The AFL-CIO asked the Supreme Court to take a fresh look at the legislative history of the Taft-Hartley Act and reverse two appellate court decisions that would lead to the exclusion of thousands of workers from the protection of federal labor law.

At issue is whether the National Labor Relations Act covers employees whose work gives them access to business information their employer considers confidential.

UNDER LONGSTANDING National Labor Relations Board policy, otherwise eligible employees dealing with confidential data are excluded from a bargaining unit only if their work involves sensitive labor-management matters. Thus, the NLRB would exclude the secretary to a company's industrial relations director but not the secretary of the firm's sales manager.

In the cases being reviewed by the Supreme Court, the 7th Circuit U.S. Court of Appeals adopted a much broader exclusion policy:

- One case involved a rural electric cooperative in Hendricks County, Ind. The general manager fired his secretary after she had joined other employees in signing a petition asking for the reinstatement of a worker who had suffered the loss of an arm in an on-the-job accident and was denied re-employment after his recovery.

The NLRB found that the secretary, Mary Weatherman, was not involved in labor relations matters and therefore was protected when she joined with other employees in a lawful "concerted activity." But the appellate court refused to enforce the NLRB's reinstatement and back pay order.

- The other case involved employees of the Malleable Iron Range Co. in Beaver Dam, Wis., who had voted for representation by Local 39 of the Office & Professional Employees.

The company refused to bargain, claiming that 18 of the 64 employees in the unit should have been excluded because they had access to confidential business information. Those the company wanted excluded included a $3.50 an hour shipping clerk and a $6,400-a-year clerk who handled correspondence dealing with defective merchandise. The appellate court refused to enforce the NLRB's order to bargain with the union.

In both cases, the appellate court relied on language in a 1974 Supreme Court decision involving the status of managerial employees of the Bell Aerospace Co. The Supreme Court's assumption, in the section quoted, appeared to be that Congress had intended a broad exclusion of "confidential" employees when it enacted the Taft-Hartley amendments to the National Labor Relations Act in 1947.

THE AFL-CIO brief urged the Supreme Court to correct its "dictum" in the 1974 case, stressing that this can be done without affecting the Bell Aerospace outcome or the reasoning that led to it.

The legislative intent issue bearing on confidential employees had never been fully presented to the court, the AFL-CIO contended, and therefore should not be controlling as a decided point of law.

The brief notes that the House passed a bill that excluded confidential employees generally, but the Senate version did not, and the House language was deleted in conference.

AS FOR THE statements made by the conferees when the final version was before the House and Senate, the AFL-CIO brief notes that the most that can be read on the issue was that Congress was in accord with the still-prevailing NLRB policy.

To come to a different conclusion, the AFL-CIO contended, the courts would have to assume that Congress misunderstood an NLRB policy that had been consistently applied in dozens of cases and that it intended to freeze its misunderstanding into law. But the facts indicate otherwise, the federation maintained.

Butchering the Constitution

AN UNWISE and clearly unworkable constitutional amendment has been endorsed by the Senate Judiciary Committee. It would compel Congress to balance the federal budget each year, except in a national emergency.

Just last year, an almost identical proposal was defeated in committee. But so far has the political pendulum swung that the present Judiciary Committee voted 11-5 to clear the proposed amendment for the Senate floor.

Congress already has the ability to control the federal budget, as has become painfully apparent in recent weeks. But the deep cuts made to conform to the Reagan Administration's concept of the role of government would have been a bloodbath if such an amendment had been written into the U.S. Constitution.

IN PRACTICE, of course, budget deficit and surpluses are the more often result of economic conditions rather than spending levels.

Even while the present budget resolution was moving through the House and Senate, projections of budget deficits continued to change because of changed expectations of tax revenues and inflation's effect on interest rates and cost-of-living adjustments.

The constitutional amendment cleared by the Judiciary Committee would allow an exception to the balanced budget requirement by a three-fifths vote of the House and the Senate.

But this "concession" undermines the concept of majority rule. It would give a minority of Congress effective control over the appropriations process.

Budget deficits normally are unavoidable—and properly so—during recessions. But if Congress were to unwisely put itself into a constitutional straitjacket, unemployment would feed on unemployment and recessions would grow into depressions. A study by the congressional Joint Economic Committee several years ago pointed to such a conclusion.

Another study, by the Council of Economic Advisers in the last Administration, concluded that a balanced budget in the 1975 recession would have pushed total production 12 percent below pre-recession levels and pushed up unemployment by 50 percent.

AND IN HISTORIC terms, there is a compelling argument against changing the U.S. Constitution from a framework for democratic government into a repository of economic and social theories quickly outdated by shifting political trends.

There are, certainly, enough members of Congress who are aware of the pitfalls to prevent adoption of a balanced budget amendment.

The real question is whether there are enough in this period of political running for cover to vote their convictions and stop once and for all a reckless assault on the Constitution.



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Investments vs. Hamburgers

Reagan's Chief 'Supply-Sider' Miscalculates Speed of Money

By Gus Tyler

WHAT MAKES money run?

Yes, money does run. In economics, the speed is called "velocity." It's a measure of how fast the buck passes from hand to hand.

The subject came up in a very sophisticated debate between Murray Weidenbaum, the chairman of the President's Council of Economic Advisers, and George Perry, an economist at the Brookings Institution, on the subject of "supply-side" economics.

PERRY SAID the Administration was caught in a contradiction. How could it increase investment to swell "supply" while, at the same time, backing the Federal Reserve Board in its strategy to limit the money supply?

Weidenbaum answered with one word: velocity. That meant that while there would be fewer dollars, each dollar would race around at greater speed.

Perry raised two objections: first, if the buck were to run fast enough to expand the economy as Weidenbaum projected in spite of restricted money supply, the buck would have to break all world records, moving about four times faster than ever in history; second, if money started moving that fast, it would again be "inflationary" and would induce the Federal Reserve to restrict the money supply even further.

Weidenbaum did not seem to have an effective answer in this debate that appeared at length in the New York Times back on April 19.

BEHIND HIS SILENCE lurks the real agenda of the Administration: the redistribution of national income from the lower tiers to the top tier of the nation.

There is only one way to get more money for "investment" while curtailing the money supply. The way is to transfer income to the top, to the relatively small portion of the population that lives primarily, sometimes exclusively, on its investments.

Here's how it can be done. McDonald Corp., the fast food outfit, has—according to a recent report—350,000 employees. Assume about half of these are the kids you meet face to face when you buy a hamburger. If this Administration puts through a youth subminimum wage, most of the youngsters will get 85 cents less per hour. This means that McDonald's will profit by about $150,000 an hour.

THIS MULTI-MILLION dollar transfer payment from the kids to the corporation is but one slight example of the overall policy that goes under the deceptive name of "supply-side" economics. Taking away school lunches, child nutrition or legal aid while giving sizable tax reductions to the most affluent are other examples.

Putting fairness aside, will this enrichment of the rich increase the supply? Most unlikely. McDonald's might have the money to turn out more hamburgers, but if all that money is up there in the hands of the "investing" class, who will buy the hamburgers?

Social Justice Linked To Freedom's Cause

The defense of freedom in the world must go hand in hand with the continuing struggle for social and economic justice at home.

Democracy is not likely to win either the ideological or the power struggle if this country, its strongest champion, appears to the world as the advocate of an economic philosophy that embraces injustice and urges a return to 19th Century concepts of laissez-faire and the survival of the richest.

We do not subscribe to the notion that a promise of economic security is equal in value or an alternative to human freedom and human rights. Nevertheless, high unemployment, inflation, idle resources, and declining social services do poor service to the case for democracy and undermine the economic base for the material defense of democracy's interests. . . .

A just society does not fall into place of its own accord. It is the product of sacrifice and struggle. No one knows that lesson better than the labor movement and its allies. It is they who have done the sacrificing and the struggling to construct, piece by piece, the elements of a more compassionate and fair society.

—AFL-CIO President Lane Kirkland at a Social Democrats U.S.A., dinner honoring Longshoremen's President Thomas W. Gleason, June 2, 1981.

The Thatcher Experiment

Reagan-Style Economic Policy Tilts Britain into Deeper Skid

The following article is excerpted from the current issue of the American Federationist, the AFL-CIO's monthly magazine. The author is Bill Callaghan, who heads the economic department of the British Trades Union Congress.

MUCH OF THE U.S. economic plan unveiled by President Reagan in early 1981 has a familiar ring to British ears because Prime Minister Margaret Thatcher has pursued much the same course in England in the last two years. In those two years, output has slumped, unemployment has doubled and inflation is still above what it was when Mrs. Thatcher took office and set out to correct an inflation rate of less than 10 percent.

Unemployment has not spared any segment of the United Kingdom. In every region, including the previously prosperous Southeast and West Midlands, registered unemployment far outstrips registered vacancies. No matter how mobile British workers and their families are, they will find it difficult to get a job in any region they move to.

The irony of the policies pursued by the United Kingdom over the past two years is that they have actually made inflation higher rather than lower.

The simple fact is that the United Kingdom Government has deflated the economy. The Government was pinning all its hopes on the new incentives it thought it was creating by the cuts in income tax. Like President Reagan, Mrs. Thatcher seems to believe in the "Laffer" curve. Unfortunately for both of them, no evidence has been proved to show this curve exists.

BIG BUSINESS in Britain was clamoring before the 1979 election for cuts in income tax rates. They were duly rewarded when the first budget introduced by the Conservative Government slashed income tax rates, particularly for those on high incomes.

For most ordinary people the income tax cuts were more than offset by a near doubling of the UK sales tax (value added tax) and by the cuts in public expenditure. But the people lucky enough to earn 50,000 pounds (or $110,000) a year, top managers and executives, were given a 50 percent increase in their take-home pay. But these tax cuts did not make them work harder or put new life into the economy because of the added incentives. And the overall economic environment is so harmful and interest rates so high that there is little room for private initiative or enterprise.

A CENTRAL ELEMENT of Mrs. Thatcher's policy has been to pursue tight money and high interest rates. The monetarist argument is full of flaws. First, it is quite clear that there is no strong causal link between increases in the money supply and increases in the rate of inflation. All the monetarists can say is that there is an impact of changes in the money supply on inflation after a

Unfortunately no one can agree how long that time lag is: some say 18 months; some say two years; and some say five years. This is hardly the basis for a well-worked out policy of economic management.

Secondly, there is no proven connection between changes in the budget balance and changes in the money supply. In Britain, debate has centered on the public sector deficit known as the public sector borrowing requirement (PSBR). Despite the lack of any proven connection between the PSBR and the money supply, the main attention given by this Government has been to reducing the PSBR. But it has failed, and it has failed miserably.

THE UK GOVERNMENT has made clear its determination not to change from its course, but the reality is that in certain areas the Government has been forced to modify and sometimes change its plans.

Recently it has been forced to provide extra financing for the coal and steel industries, as part of a belated recognition that these two core sectors cannot be left to the whims of market forces. Forcing short-term financial viability on these industries can in fact mean long-run decline.

These belated signs of repentance are welcome, but they do not add up to a change of strategy. As it nears the end of its second year in office, the Thatcher Government has been forced to recognize some elements of political and economic reality—but a much more significant shift in policy will be necessary if the economy is going to be put on the road to recovery.

ALL AMERICANS should study the British economic experiment. It is rather uncomfortable being inside the test tube, but outside observers should recognize the experiment has not been a success. Of course, some will always blame the failure on government not applying the monetarist discipline tightly enough.

Indeed, U.S. Professor Milton Friedman, one of Mrs. Thatcher's economic gurus, has already criticized the Bank of England for not applying the monetary screws even tighter. The cost to the British economy of the present policies has been enormous. The cost of an even tighter fiscal and monetary policy is beyond belief. Unemployment and bankruptcies would have been higher still. It's possible that government, in adopting such a draconian policy, might cure the disease of inflation, but in doing so kill the patient, the British economy.

Both the UK and U.S. economies have tremendous potential, which if properly harnessed can bring benefits to British and American workers, as well as workers in the less developed countries of the Third World. But if President Reagan is going to adopt Mrs. Thatcher's economic policies, then American workers are in for a rough ride.

In Strike Skirmishes

Union Rights Periled in Drive To Tag Extortion Law on Pickets

THE CAMPAIGN to subject workers striking for better wages or conditions to the penalties of the federal extortion law is an attempt to deny union members their lawful rights, not to improve the level of law enforcement, AFL-CIO Associate Legislative Director Howard Marlowe declared.

Acts of violence, "whether they be on the picket line or at a ballgame," should be prosecuted by state and local authorities, Marlowe said. He added that the obvious aim of the campaign mounted by the National Right to Work Committee and other anti-union groups is "to intimidate workers from striking for their legitimate rights." He pointed out that the measure sponsored by Sen. Strom Thurmond (R-S.C.) would reverse the 1973 Supreme Court ruling that actual or relative picket line disturbances are not extortion under the terms of the Hobbs Act.

Questioned by reporters on the network radio interview Labor News Conference, Marlowe rejected the contention of those pushing the measure that it would also make "violence on the part of employers" a federal crime.

"EXTORTION MEANS that you want to take something material that somebody else has," he noted, and since a struck employer isn't seeking to take something material from the strikers, "there is no way he can extort from an employee," and would therefore be exempt from the Hobbs Act.

"In effect, if an employer or his agent went out to the picket line and threw a punch, he would be subject to state and local prosecution, whereas an employee who hit back would be subject to federal prosecution" and far greater penalties, Marlowe stressed.

Reporters questioning Marlowe were Jerome Cahill of the New York Daily News and Dale McFeatters, of the Scripps-Howard Newspapers. The program is produced by the AFL-CIO as a public service and is broadcast weekly on the Mutual radio network.

Washington Window

By Press Associates, Inc.

FOR THOSE WHO live in urban areas, the Reagan Administration proposals to slash social spending and to fold targeted aid programs into block grants to the states at reduced levels is bad news.

These are some of the things the cutbacks would mean: An acceleration of municipal bankruptcies; higher taxes and fees; reduced services ranging from public education to mass transit; more layoffs of city employees, including teachers; less subsidized housing construction, and higher rents for public housing tenants.

Although nearly all municipalities would be adversely affected hardest hit would be the large cities in the East and Midwest. The financial base of the cities has been eroded by recent high levels of unemployment and the exodus in past years of businesses, jobs and middle-income people to the suburbs and outlying areas. And within these cities, low-income and elderly people will be the ones to suffer most.

THESE GRIM REALITIES are described in four recent studies and surveys—by the Joint Economic Committee of Congress, the House Democratic Study Group, the U.S. Conference of Mayors and the American Federation of Teachers.

The JEC study, which surveyed 275 cities around the nation, stated that even without the Reagan budget cuts, the situation of most municipalities is "bleak."

"Because of the magnitude of the proposed federal cuts and the abruptness with which they are likely to be implemented," said the JEC report, "many economic development initiatives will be reversed, the population of many cities will be forced to forgo certain services and to pay more for others, and an increasing number of cities will find themselves on the brink of fiscal collapse."

Among the 36 large cities surveyed, 70 percent were in deficit in fiscal 1980, and all but four anticipated deficits in the current fiscal year.

Wage increases of municipal workers—sometimes used as a scapegoat for cities' fiscal problems—almost always lagged behind inflation in recent years, the JEC survey acknowledged.

As a long-range solution for the urban crisis, "the results of this study strongly support the need for reindustrialization policies," said the JEC survey.

THE REPORT by the House Democratic Study Group is stark in its conclusions. The Reagan cuts, taking $20 billion from urban programs in fiscal 1982, "will bring efforts to revitalize cities to a standstill," it states.

"The loss of thousands of jobs and reduced services for the poor and disadvantaged will compound existing urban problems and increase dissatisfaction and unrest in the nation's cities," predicts the DSG report.

The Reagan program, touted as a plan for "economic recovery," reads more like a prescription for disaster, the DSG said.

The Conference of Mayors surveyed 100 cities of various sizes and found that the block grant consolidation would have "an adverse affect on 87 percent of the cities." The survey said city officials were concerned about cuts in services and "about anticipated problems caused by state administration of funds."

The Teachers union, in its 1981 survey of the 30 largest cities, looked at the key indices of financial health and found seven cities under "very high stress": Washington, D.C., New York City, Boston, Atlanta, Philadelphia, Baltimore and Cleveland. Under "high stress" were: Detroit, St. Louis, San Francisco, Chicago and Nashville.

Instead of moving backwards, Congress—which now is in the process of acting on the Administration's program—should provide the resources needed to revitalize the cities instead of permitting them to slide further into decay and despair.



INTIMIDATION OF strikers, not improved law enforcement, is the aim of anti-union groups that are trying to classify picket line disturbances as extortion under the Hobbs Act, AFL-CIO Associate Director Howard Marlowe, center, declared. He was questioned on Labor News Conference by Jerome Cahill, left, of the New York Daily News and Dale McFeatters of Scripps-Howard Newspapers. The AFL-CIO produced public affairs interview is aired weekly on Mutual radio.

Race Car No. 31 Carries IAM Colors

Race car No. 31 is carrying the Machinists' union emblem in this year's championship class circuit.

The red, white and blue machine is the centerpiece of the IAM's racing team which has a respectable showing in the Indianapolis 500 and the Gould Rex Mays 150-mile race—two major events in USAC (U.S. Auto Club) and CART (Championship Auto Racing Team) competition.

THE IAM TEAM hit the big time this year with its new Penske-Cosworth car after running an experimental season in 1980 with another machine that was refitted with a new engine and now serves as the backup car for No. 31.

With driver Lay Dickson behind the wheel, the union's P-C-7 finished 18th in the Indy Memorial Day classic and improved its standing by finishing 10th at the Wisconsin State Fair Speedway on June 8 in the Gould Rex Mays. For the year, the IAM team ranks 17th among the 105 teams on the big car circuit.

Dickson, the only three-time USAC sprint car champion, will again be driving No. 31 in the next major CART race—the Atlanta Twin 125 on June 28.

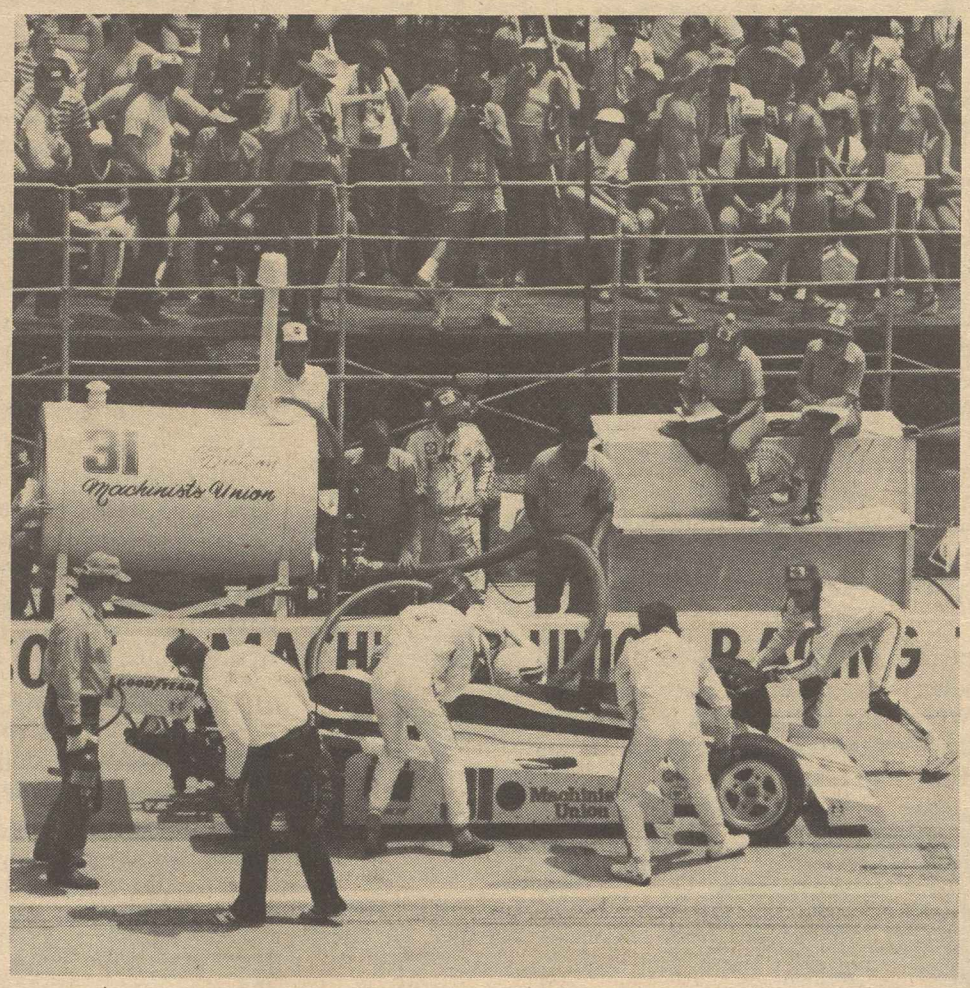
Dickson had to drop out of the Indy 500 after completing 165 laps when the car's turbocharger blew. Even so, the IAM racing team was awarded $30,600 in prize money for its finish in a field of 33 entries and collected $6,000 in the Wisconsin race.

Number 31 is powered with a Cosworth/Ford engine that develops about 700 horsepower at 10,200 revolutions per minute. The car was clocked at speeds of more than 230 miles an hour at Indianapolis.

KEEPING THE machine in top running order are chief mechanic Howard Millican, assistant Chuck Swearengin and journeyman machinist Anita Millican, the chief mechanic's wife. She is the only woman machinist on the major race car circuit.

Chief mechanic Millican built the first gas-power turbine car used at Indianapolis in 1969, and the following year constructed the first rear-engine Offenhauser that raced in the Indy.

The racing team is expected to log 20,000 miles this year hauling its race cars—the P-C-7 No. 31 and the No. 30 backup car—to USAC and CART events. The cars and support equipment are transported in a tractor-trailer rig bearing a giant Machinists union racing team logo. The rig was purchased with the help of many IAM automotive local unions and district councils, the union reported.



MACHINISTS PIT CREW at the Indianapolis 500 scrambles to get the union's Penske-Cosworth race car refueled and back into the running. The IAM's No. 31 racer came in 18th in the Memorial Day classic and collected $30,600 in prize money.

Regulation on Toxic Labels Held Essential

Workers have a "right-to-know" about the health hazards they encounter at work, the Oil, Chemical & Atomic Workers declared at House hearings.

Legislative Director Nolan W. Hancock and other OCAW witnesses voiced the union's disagreement with the decision of the Reagan Administration to withdraw a proposal by the Occupational Safety & Health Administration dealing with labeling of hazardous substances.

THE RULEMAKING procedure had just begun, Hancock stressed, and the chemical industry would have had ample time to make its case. In fact, he noted, withdrawal of the proposal also cancelled scheduled hearings at which interested parties were to have commented.

The only possible reason for the Administration's "hurried" action, Hancock suggested, is its "eagerness to please the chemical industry."

Nolan and OCAW Occupational Health Specialist Sylvia Krekel testified that without the added force of federal regulation, the union must constantly battle to obtain from employers the specific information needed to evaluate hazards and avoid overexposure.

The industry concept of adequate warning labels, the union witnesses testified, is along the lines of posting a "do not inhale" warning on a drum of chemicals or using a letter and number code to identify a product instead of a label carrying the chemical name.

THE "COST-BENEFIT" analyses that the Reagan Administration has said it will use to judge the need for regulations ignores the social costs of occupational disease, the OCAW said. While employers may save some money through lack of regulation, "the workers bear the costs, the deaths and disease," the union observed.

Earlier, the AFL-CIO charged that the Labor Dept. had withdrawn the OSHA proposal in response to political pressure from the chemical industry "and orders by the Office of Management & Budget." The House hearings were conducted by an Education & Labor subcommittee headed by Rep. Joseph M. Gaydos (D-Pa.).

The Reagan Administration has moved against a number of other OSHA protections initiated by the Carter Administration, including walkaround compensation, cotton dust and lead exposure standards and a hearing conservation program.

Fund Cuts Seen Threatening Role of Public Broadcasting

If public broadcasting is to perform its role, adequate public funding must be made available to keep it insulated as much as possible from outside political influences, the AFL-CIO Dept. for Professional Employees told Congress.

Bills substantially reducing the already inadequate funding for public broadcasting are now before lawmakers and threaten to exacerbate the problem, Dept. Director Jack Golodner warned in testimony before a House Energy & Commerce Committee.

"PUBLIC BROADCASTING was called into being to provide a communications medium governed by different concerns in the belief that different voices would find a place there," he said. "This is a vital role in a democracy.

"By and large, we find that public broadcasting officials are very much aware of the unique role they must play and they share our concern that it be done well—without deviation. But money is a problem.

"Supporting the democratic dialogue in a time of infinitely complex communication modes does not come cheaply. Though feeding our souls in a democracy is not quite as expensive as saving our skins, it does require some financial sacrifice."

The House bills call for a steady reduction in funds for the Corporation for Public Broadcasting between 1984 and 1986. One bill, introduced by Rep. James Collins (R-Tex.), the ranking minority member of the House Telecommunications subcommittee, would authorize the appropriation of only $100 million each for fiscal years 1984 and 1985 and $90 million for 1986. The bill also would cut back funds already appropriated to the CPB for fiscal years 1982 and 1983.

A BILL introduced by Rep. Tim Wirth (D-Colo.) would authorize CPB appropriations of $160 million in 1984, $145 million in 1985, and $130 million in 1986, and allow public broadcasters to use their facilities for other revenue producing purposes.

The Collins bill, the more stringent measure, also would reduce the membership on CPB's board of directors from 15 to 7, a move opposed by the AFL-CIO.

Jobless Rate Up Sharply in May To 7.6 Percent

(Continued from Page 1)

month totaled 125,000, and primarily reflected the industry's continuing deterioration, BLS said. After posting increases throughout the last half of 1980, construction employment has decreased steadily since last January.

Job growth continued in the services industry, however, as employment rose by 90,000 over the month. Retail trade employment increased by 75,000, recovering most of the job loss posted between March and April. Elsewhere in the service sector, there were slight gains in finance, insurance and real estate while government employment edged down.

In an analysis of the composition of the nation's unemployed workers, Commissioner Norwood said that 43 percent of the 8.2 million jobless last month were men, 35 percent women, and the remaining 22 percent teenagers.

Half of the unemployed in May had lost their last job, she noted. Of these, about one-third were on layoff status, expecting recall at some future date, and the other two-thirds had been permanently separated from their former employer. Voluntary departure from the last job accounted for 12 percent of the unemployed.

Chain Store Workers Affiliate with UFCW

Scranton, Pa.—The Giant Markets Employees Association, which has represented workers at a chain of 15 stores in the Scranton-Wilkes-Barre area for 35 years, formally voted to affiliate with the Food & Commercial Workers. Giant employs 725.

Frank Colella, president of the association, said the vote to affiliate was overwhelming, and that possible sale of the stores may have persuaded the Giant workers that they could no longer stand alone but needed representation from an experienced AFL-CIO union.

Insurance Union to Step Up Drive for Clerical Workers

Miami Beach—Delegates to the Insurance Workers 12th biennial convention drafted plans for expanding the union's membership by organizing clerical workers in companies under IWIU contract.

More than 90 percent of the IWIU's present membership is made up of insurance agents, and the resolution calling for the campaign to bring in other white-collar workers in the insurance industry was unanimously adopted by the 325 delegates as vital to "consolidate the union's gains and strength."

THE CONVENTION also called on the union's leadership to continue to pursue a merger in "all possible haste" with a larger union while enabling the IWIU to retain its identity.

During the past two years, IWIU officials have conducted merger discussions with the Office & Professional Employees and the Ladies' Garment Workers.

In his opening remarks to the convention, IWIU President Joseph Pollack told delegates that economic conditions, changes in insurance merchandising systems and anti-union campaigns by certain companies have affected the union's membership.

Pollack reported that during the two years since the last convention, IWIU won 46 and lost 52 representation elections.

AFL-CIO Sec.-Treas. Thomas R. Donahue told the delegates that the labor movement's programs face a stiff challenge from the Reagan Administration and the Republican-dominated Senate.

"The Reaganites are delivering the worst attacks on the rights of working people, on consumers and on the standard of living of the average American in 50 years," Donahue said.

One of the biggest tasks that labor faces, he stressed, is to mount a strong defense of social programs that have become a prime target of the Administration and its political allies.

The convention approved a two-step increase in monthly dues, which will rise from the current $9.50 to $10 next Aug. 1 and to $11 on Aug. 1, 1982. The entire 50-cent increase of the first step and 25 cents of the second step will go to local unions. The international will increase its per capita share of the dues by 75 cents as in the second step. The union's per capita payment is currently $7.25.

Delegates re-elected Pollack to a new two-year term. Also re-elected by acclamation were Sec.-Treas. Nicholas M. Rangione and Vice Presidents Lawrence Pellegrini, Andre B. Henault and Patrick McGrogan. Twenty-one incumbents and three new members were elected to the union's executive board.

Per Capita Tied to Wages

Clothing-Textile Union Charts Organizing Plan

Detroit—Delegates to the Clothing & Textile Workers convention backed up a resolution assigning "priority" to organizing activities with a constitutional amendment to shore up the union's finances.

After a spirited floor discussion in which a cross-section of the 3,000 ACTWU delegates participated, the convention approved a proposal to link future per capita dues increases to union-negotiated wage increases. Starting next October, the per capita will go up each year by the same percentage that wages went up in ACTWU contracts.

EXECUTIVE VICE President Scott Hoyman spoke to the delegates of the heavy penalty that all textile workers pay for the large segment of the industry that is still unorganized.

He cited advanced new technology that has "given a big boost to the profits of the industry"—and the failure of employers to share the fruits of that productivity increase with their workers. Hoyman said a survey of 23,000 textile workers in North Carolina this year found that workers in unorganized companies are paid no more for running new weaving machines than they previously made.

All textile workers are affected by such practices, he stressed. "The only way textile workers can achieve good wage standards is to help unorganized workers to organize."

Successful organizing is "not cheap" and in the face of employer hostility is seldom quick, Hoyman said, but experience has demonstrated that it "is possible."

DRAMATIC EVIDENCE was in the presence at the convention of delegates from 10 J. P. Stevens locals that now have union contracts.

At the opening of the convention, ACTWU President Murray H. Finley and Sec.-Treas. Jacob Sheinkman had sharply challenged Reagan Administration retreats from social justice, and a series of resolutions reinforced the criticism.

The delegates, representing 450,000 members in the United States and Canada, condemned the Reagan Administration's reliance on so-called "cost-benefit analysis" for regulations to protect workers and denounced its "flagrant attack on safety and health standards and workers' rights."

THE CONVENTION urged passage of legislation to require advanced notice to workers and their communities of plant closings.

Among other resolutions adopted were a strong affirmation of the equality of women in the workplace and in all phases of union and national life, reiterated concern over imports from low-wage areas, and an expression of thanks for the organizing efforts of the AFL-CIO, the Industrial Union Dept. and the Canadian Labor Congress.

National Urban League President Vernon Jordan proposed a series of "alternatives" to President Reagan's proposals to cut food stamps, Medicaid and other programs for the poor. IUD President Howard D. Samuel, COPE Director Al Barkan and Americans for Democratic Action President Patsy Mink were among other convention speakers.

37 Groups Assail Plan to Scuttle Minority Goals

(Continued from Page 1)

cluded the UAW, Mine Workers, NAACP, League of Women Voters, National Urban League, Coalition of Labor Union Women and Hispanic groups.

The organizations questioned the Labor Dept.'s claim that changes in the compliance regulations are necessary because it cannot enforce the rules with its present resources.

THE AFL-CIO and the other organizations "will assist in every way possible during the budget process" to secure the resources for a strong enforcement program, Kirkland said.

Texts of the proposed changes, which also include weakening of the Davis-Bacon prevailing wage law and the Service Contract Act, have not been published. Labor Sec. Raymond Donovan and other department officials have outlined the changes in briefings.

Modifications in the rules suggested by the Carter Administration before it left office included some tightening of the regulations involving affirmative action programs and an expansion of the role unions could play in the exercise of programs under the Office of Federal Contract Compliance.

The Carter regulations were scheduled to go into effect Jan. 29, but were frozen by the Reagan Administration.

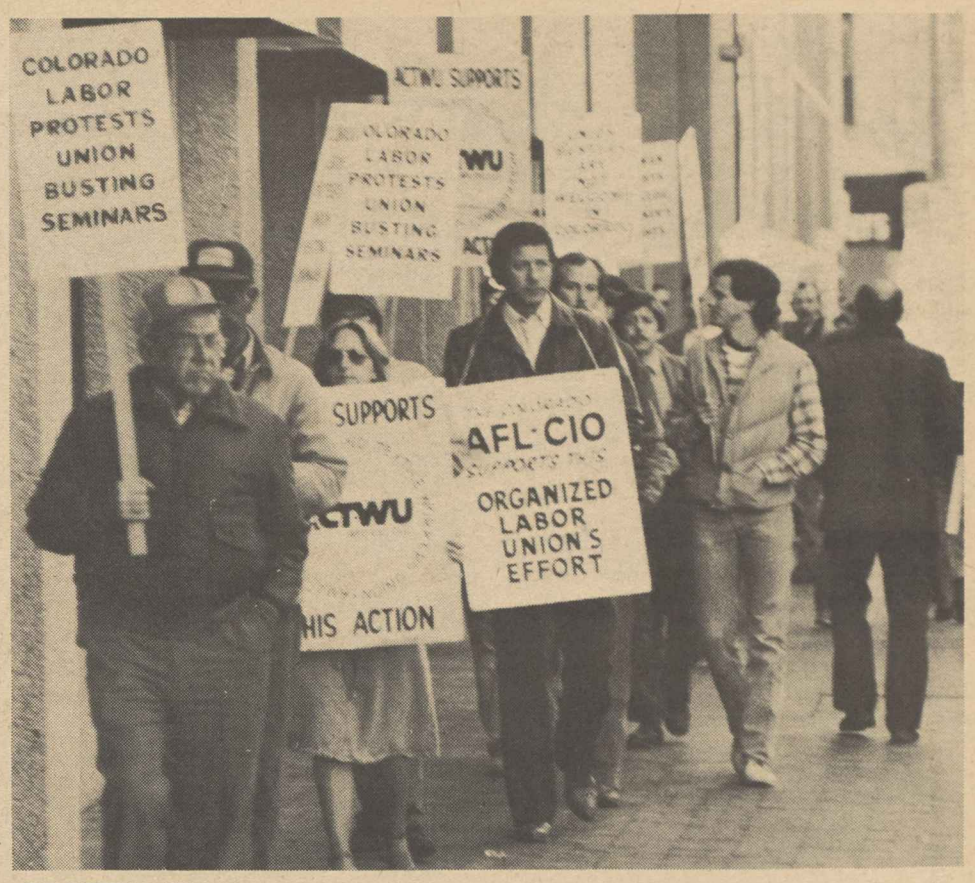
IN RELATED ACTION, attorneys for the AFL-CIO, the Auto Workers, Steelworkers, State, County & Municipal Employees, Laborers, International Brotherhood of Electrical Workers and Electrical, Radio & Machine Workers wrote Donovan earlier objecting to the freeze that reverted unions to the status of "observers" in OFCCP actions and investigations.

"The department should encourage, not thwart, union efforts to further equal employment opportunity through approaches consistent with trade union principles," the attorneys stressed.

AMONG THE CHANGES in affirmative action policy being studied by the Labor Dept. are the exemption of more small contractors from compliance, and a policy of permitting employers to indicate they have made "reasonable good faith efforts" to meet goals rather than document specific compliance.

Other points that were to be dealt with in the new regulations include:

- The appropriateness of back pay as a remedy for violations.
- Whether to set numerical goals for minority and female participation in construction.
- Whether non-federal work done by covered contractors should be exempted.
- Whether contractors must develop affirmative action plans for their non-construction employees.



PROTEST SIGNS carried by Colorado union members greeted participants in the Denver seminar by management consultant Charles Hughes on "Making Unions Unnecessary." Similar informational picketing took place at other cities where union-busting seminars were held.

Pickets Greet Participants In Union-Busting Seminars

Union members and picket signs urging "union-busters go home" met management consultant Charles Hughes at almost every turn on his recent swing through the West to conduct his seminars on "Making Unions Unnecessary."

State and local central labor bodies organized demonstrations and informational picket lines in Denver, Dallas and Edina, Minn., in April and May to spotlight the union-busting content of the seminars for management executives staked by Hughes's company, Executive Enterprises, Inc.

MORE THAN 300 union members took part in two days of picketing in Denver at the downtown hotel where Hughes's session was held. The demonstrations, which received wide press coverage, were a joint project of the Colorado AFL-CIO's organizing committee and the AFL-CIO's regional office in Denver.

It was the second time since February that the management consultant's presence in Denver was met by union members carrying signs declaring "Union-busters Are Not Welcome in Colorado."

Lunchtime demonstrations protesting the seminar were swelled by union members working on a number of nearby construction sites, AFL-CIO Representative Steve Beiringer said.

IN DALLAS, where Hughes's company is based, over 500 union members turned out for demonstrations organized by the Dallas AFL-CIO and Tarrant County Central Labor Council.

A local television talk show, filmed the same day, pitted Hughes in a debate with Texas AFL-CIO President Harry Hubbard. The show was flooded with calls from union members questioning Hughes on the anti-union topics covered in his seminars and accompanying series of books.

Dallas AFL-CIO Sec.-Treas. Willie Chapman told reporters at a news conference that the union demonstrations were not directed against Hughes alone but at the entire union-busting consultant industry. He termed the consultant firms "parasitic organizations feeding off employer fear of the employee's capacity for good judgment."

CHAPMAN POINTED out that managers paid $550 each to attend the Executive Enterprises' seminar. The demonstrations were meant "to raise public awareness that eliminating unions is big business in America," he said.

Some 200 trade unionists met Hughes and employers arriving at his seminar in Edina, Minn., near Minneapolis, with banners urging, "Union Busters Go Home."

State AFL-CIO President David K. Roe said the demonstration was organized to shed light on the tactics, legal and illegal, advocated by Hughes and other management consultants to "delay and frustrate the legal rights of employees to choose by majority vote without coercion to join or not join a union."

QUOTING FROM topics listed in advertising for Executive Enterprises' seminars and from chapter headings in Hughes's books, Roe asserted that the consultants' techniques for thwarting union organization by creating a "happy" workforce are in fact a thinly disguised "new form of industrial paternalism."

The AFL-CIO Dept. of Organization & Field Services, which keeps tabs on the activities of union-busting firms, has called Hughes and Executive Enterprises "pioneers" in the lucrative seminar field.

One three-day seminar, attended by 60 employers and employer representatives, brought in $27,000, Charles McDonald, assistant director of the organizing department, said. Hughes schedules about 20 seminars a year, McDonald said, and the company also sells an array of books and literature giving advice on techniques for union avoidance and employee control.

New Textbook Developed For Labor Study Courses

The first in a series of college textbooks on labor studies subjects for use in a degree program at the George Meany Center for Labor Studies has been published by the Bureau of National Affairs, Inc., in Washington.

The book, Survey of Labor Relations by Dr. Lee Balliet, will be used in college courses dealing with the labor movement and by union officers, shop stewards, and union members who seek a clear understanding of the history and operations of American trade unions.

BALLIET'S WORK was commissioned by the Studies Center's Tripartite Program for Apprenticeship & Associate Degree in Labor Studies. The program offers union members an opportunity to earn college credits for apprenticeship training while working toward a two-year associate of arts degree in labor studies.

Balliet, of Morgantown, W. Va., is a consultant and teacher of economics and industrial relations. He has served as assistant professor at the University of Wisconsin School for Workers, at West Virginia University Institute for Labor Studies, and as associate director for Labor Education & Research at the University of Kentucky.

His book covers union development and behavior, the historical and legal foundations of labor-management relations in the United States, the structure and functions of unions, and the personalities and politics that helped shape the movement.

Collective bargaining and contract administration are treated historically with a description and discussion of major problems. The textbook also deals with discrimination against women and minorities, the consequences of technological change, conglomerate and multinational expansion, the workings of unions in other countries, and the prospect for U.S. trade unions.

PARTICIPATING IN the center's Tripartite Program, which is financed by a Labor Dept. grant, are Bunker Hill Community College, Charlestown, Mass.; College of the Mainland, Texas City, Tex.; Des Moines Area Community College, Des Moines, Ia., and Rhode Island Junior College, in Warwick.

More information on the program may be obtained from the Apprenticeship & Associate Degree Program, George Meany Center for Labor Studies, 10000 New Hampshire Ave., Silver Spring, Md. 20903.

Reagan Attacks Assailed

Social Security Promise Termed 'Earned Right'

New York—American workers have an "earned right" to the social security system as the foundation to their retirement security, AFL-CIO Vice President Sol C. Chaikin testified at hearings here.

The Administration's threats to cut social security protections violate a "moral compact between the government and its citizens" under which workers contribute to the system expecting to receive benefits from it when they are unable to work, Chaikin said. He testified as chairman of the AFL-CIO Social Security Committee before a subcommittee of the House Select Committee on Aging.

Chaikin, who is also president of the Ladies' Garment Workers, warned that the Reagan Administration's proposals to cut social security by nearly $82 billion by 1987 are so "horrendous" they may shock the American people into negotiating for what still amount to "major cuts."

CONGRESS SHOULD NOT look to benefit cuts to meet the problems of the social security system, he urged. It must protect both the system's financial integrity and its commitments, Chaikin said.

The AFL-CIO proposal, Chaikin said, is to use general revenues to partially finance all the system's programs.

A first step, he suggested, could be to finance up to 50 percent of Medicare from general revenues, a move acceptable to many who otherwise oppose such actions since Medicare benefits are not related to wages or contributions paid.

In addition, Chaikin testified, the AFL-CIO supports programs to avert the system's short-term financing problems including:

- Interfund borrowing when there is a temporary surplus in one social security trust fund and a shortage in another.
- Government contributions to the trust funds to make up for declines in income during periods of high unemployment and economic downturns.
- Change in the social security law to ensure that benefits would be paid from general revenues if payroll taxes are insufficient, a provision that was part of the law from 1944 to 1950.

Chaikin called the Administration's proposed cuts in social security "wrecking on a massive scale."

He pointed out that the suggested cut in benefits to workers taking early retirement ignores the fact that more than 70 percent of all workers who retire before 65 do so because of poor health, layoffs, or discontinuation of jobs. Further, he said, 80 percent of those who apply for disability benefits and are denied eligibility never find regular jobs again.

THE AFL-CIO OPPOSES all compromises that would raise the age of retirement, increase the amount of actuarial reduction or otherwise tamper with the early retirement provisions of the law, Chaikin said.

Such proposals would also have a "profound impact on collectively bargained pension plans and would devastate the value of their early retirement provisions," he warned.

Eisenberg Named to Equity Executive Post

New York—Alan D. Eisenberg, a Washington attorney who specializes in labor law, has been named to succeed Willard Swire as executive secretary of Actors' Equity next Oct. 1.

Eisenberg, 46, has been representing a number of local unions in the Washington area since 1972. He is a senior partner with the firm of Spelman, Eisenberg, Paul & Wagner. Before going into private practice, Eisenberg had been on the staff of the National Labor Relations Board.

Swire, formerly assistant executive secretary of Equity, has been serving as executive secretary on an interim basis since last October.

Senate Food Stamp Changes Hit Low-Income Households

(Continued from Page 1)

Its projected savings come from such steps as changing the rules to bring eligibility standards closer to the poverty level, reducing the amount of deductions from earnings allowed for medical or dependent-care expenses, lengthening the disqualification of persons who voluntarily quit a job from 60 to 90 days, and postponing cost-of-living adjustments. The bill also would allow states to require recipients to work off the value of their stamps.

The Senate bill does not, however, include the Administration proposal to reduce a needy family's food stamp allotment by the value of the free school lunches a child might receive.

IN BOTH the Senate and House, committees were struggling with varying degrees of pain to cut programs within their jurisdiction sufficiently to meet the targets imposed in the budget that Congress adopted.

In the House, especially, there will be a strong effort to push up the budget ceilings to lessen the severity of some of the cuts that otherwise would be required.

Thus, the House Education & Labor Committee complied with the directive to slash $12.1 billion from its programs, but Chairman Carl D. Perkins (D-Ky.) said he will seek to restore part of the funds when the Budget Committee brings its "reconciliation bill" to the House floor. That's the bill that will encompass all of the program cuts made by the legislative committees.

PERKINS SAID the committee had acted reluctantly, "with a gun pointed at our heads" to wipe out nearly one-third of the funds that otherwise would be spent next year "for the nation's poor, handicapped, elderly and students."

On the Senate side, a coalition of Democrats and the more moderate Republicans on the Labor & Human Resources Committee sought to assure that such programs as federal funding of aid to disadvantaged elementary and secondary students and community health centers will be maintained and not left to the uncertainties of the block grant approach the Administration has favored.

Other committees were seeking in various ways to save the nation's passenger and freight railroad system from complete dismemberment, to assure funding of needed housing programs and to protect cost-of-living adjustments for retired federal and postal workers. Congress was having some second thoughts about the budget.

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AT WINDUP of the coast-to-coast series of AFL-CIO regional conferences, a television news team interviews AFL-CIO President Lane Kirkland in New Orleans. The goal of the conferences was an interchange of views at all levels of the labor movement.

Retirement, Disability Cuts Not in Election's Mandate

By Rex Hardesty

New Orleans—The AFL-CIO series of seven 1981 regional conferences closed here with President Lane Kirkland declaring that when President Reagan proposes deep cuts in social security, he "is not fulfilling a mandate. He is breaking a promise."

Kirkland quoted Reagan's promise in the nationally televised debate of October 1980 that no one on social security would have "the rug pulled from under them."

Retired and disabled Americans who voted for Reagan obviously did not know that "they voted to cut their social security benefits by 23 percent," Kirkland said.

THE NEW ORLEANS conference was for the seven states of Louisiana, Mississippi, Texas, Missouri, Oklahoma, Kansas and Arkansas. It followed the same format as the other six conferences, which were held between March 5 and April 4 in Philadelphia, Boston, Chicago, San Francisco, Denver and Atlanta.

In each region the conference delegation comprised principal leadership from the state AFL-CIOs, central bodies and regional officers or representatives sent by international unions in response to a January 1981 invitation from Kirkland.

KIRKLAND STRESSED in New Orleans, as elsewhere, that he, Sec.-Treas. Thomas R. Donahue, and the 10 federation department directors conducting workshops "came to listen," and said, "We are not assembled to adopt new goals and policies—to do the work of constitutional conventions or the Executive Council."

Instead, Kirkland said, "we are here to discuss ways to more effectively carry out federation policy and achieve our goals.

"It is our job to enhance the well-being of our members through any educational, political, legislative or community activities that can advance the cause of workers."

He promised the participants that "the points that you have made will be brought to the attention of the appropriate bodies and committees of the Executive Council that are examining these issues and problems."

In his detailed "summing up" of the conferences, Donahue traced conference topics as disparate as higher local union affiliation with state and central bodies and a request for the federation to provide more material on the resurgence of the Ku Klux Klan and other far-right groups.

DONAHUE NOTED that the issues—from six one-hour workshops the first day and two more sessions the final morning—closely parallel the issues which are discussed "in any trade union forum, most notably the Executive Council."

"I don't think there's anything new about an effort to revitalize this movement," Donahue said. "In my local union in the early 1950s, we struggled with an extensive shop steward training because we knew that even a 16-year-old institution had to be continually revitalized."

Donahue noted, however, that the American labor movement's greatest strength, "our democratic nature," can lead to frustration because "it creates a very untidy system. It is not neat. It is hard to execute programs in democratic institutions."

Kirkland also noted that "we, as trade unionists, do aspire to far higher goals and more selfless purposes than any other element of human society. The challenge is great. It will be with us for a long time, but our common burden will be made all the lighter to the extent that we all shoulder it together. Our calling will then continue to be the most rewarding in spirit and certainly the happiest trade within the gift of the people that we serve."

Seafarers Back Shift Of Maritime Agency

The Seafarers support the Reagan Administration's plan to transfer the Maritime Administration from the Commerce Dept. to the Transportation Dept., SIU President Frank Drozak announced.

Drozak, who is also president of the AFL-CIO Maritime Trades Dept., said he was assured by Transportation Dept. Sec. Drew Lewis that the agency will receive "proper representation in the Transportation Dept. and to the White House."

The transfer, which must be approved by Congress, will put all federal transportation agencies under one department.

Unanimous Vote By UAW Board Backs Affiliation

(Continued from Page 1)

The UAW will also continue to work with the AFL-CIO "to save important governmental programs that are being callously slashed in Washington."

Fraser said UAW units at the state and local level will make their own decisions on affiliation with AFL-CIO central bodies. The UAW has set up a committee to study the question of affiliation with the Industrial Union Dept., Fraser added.

THE UAW and its late president, Walter P. Reuther, had a major role in the formation of the AFL-CIO in 1955. It left the federation in 1968 but in recent years has worked closely with the AFL-CIO on legislation and other union goals.

At the recent AFL-CIO Executive Council meeting in Baltimore, Kirkland said at a news conference that the UAW's reaffiliation would be greeted "with rejoicing on the part of the affiliates and members of the AFL-CIO" and would "enhance the solidarity of the trade union movement in these difficult times."

Solidarity Day Set Sept. 19 to Rally Labor, Allies

The AFL-CIO will sponsor a Solidarity Day demonstration in Washington on Sept. 19 to protest the Reagan Administration's attack on vital social programs and to spotlight "demands for jobs and justice."

AFL-CIO President Lane Kirkland called on affiliates for "a maximum effort" and invited the participation of labor's allies in the Budget Coalition.

"A DEMONSTRATION of grass-roots, rank-and-file support" for social justice goals "will be the most effective response to the Administration's claim that it speaks for the working people of America," Kirkland said in letters to affiliates and central bodies.

In the labor federation's centennial year, he added, Solidarity Day will reaffirm "the historic commitment of the labor movement to social and economic progress."

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The concept of the demonstration was approved by the AFL-CIO Executive Council at its May meeting, and a committee was set up to work out the details. It includes Vice Presidents Charles H. Pillard, Lloyd McBride, Murray H. Finley, Albert Shanker and William H. Wynn.

Kirkland designated John Perkins, associate director of COPE, as the AFL-CIO's coordinator for Solidarity Day. He asked each affiliate and participating organization to appoint a Solidarity Day coordinator to work with Perkins for the biggest possible turnout for the Saturday demonstration.

The Budget Coalition organizations invited to participate include leading civil rights organizations, senior citizen groups and dozens of public interest organizations concerned over the severity of the Administration cutbacks.

A SUCCESSFUL demonstration, Kirkland wrote the coalition groups, can "refocus the nation's attention on our goals of social and economic justice for all."

Details of the Solidarity Day program are being worked out and will be announced later. Kirkland said at a news conference after the Executive Council meeting that the goal is to bring to Washington a broad cross-section of the trade union movement and allied groups.

Court Bars Cost Tests by OSHA



POSTAL SERVICE contract talks covering nearly 600,000 workers were formally initiated with the exchange of initial proposals by the parties. Representatives of the two biggest unions, the Postal Workers and the Letter Carriers, left, are shown at the opening meeting with USPS management officials. Current contracts expire July 20.

Labor Hails Decision on Cotton Dust

By John R. Oravec

The Supreme Court rejected all attempts to apply restrictive cost tests to job safety and health protections as it upheld the federal standard on worker exposure to cotton dust.

The 5-3 decision, hailed as a major victory by the AFL-CIO, was a direct rebuff to the Reagan Administration's hard-nosed strategy of dismantling OSHA regulations.

CITING THE intent of Congress in enacting the 1970 job safety law, the court held that feasibility should be the only limitation for providing safe and healthful workplaces.

AFL-CIO Sec.-Treas. Thomas R. Donahue, commenting on the court's cotton dust decision, said it not only upholds the safety law as Congress had intended, but also "vindicates the approach to enforcing OSHA taken by the labor movement and by the last Administration, and repudiates the efforts of the Reagan Administration to block a Supreme Court decision and to water down the act."

The high court's majority decision, written by Justice William J. Brennan, declared that "Congress itself defined the basic relationship between costs and benefits by placing the 'benefit' of worker health above all other considerations, save those making attainment of this 'benefit' unachievable."

BRENNAN WARNED that "any standard that strikes a different balance than that struck by Congress would be inconsistent with the command set forth" in the section of the law that covers the development of OSHA standards.

In another decision critical to worker

(Continued on Page 3)

Labor Dept. Hit On Move to Sap Pay Protection

Labor Dept. proposals to narrow the protections of the Service Contract Act will unleash wage-slashing competition and undercut fair employers, the AFL-CIO charged.

The federation's ad hoc Service Contract Committee, meeting at AFL-CIO headquarters, issued the warning amid reports from the Labor Dept. that it will seek changes in the rules to curtail jurisdiction and enforcement of the 1965 law. The Service Contract Act requires employers who provide services to federal agencies to pay locally prevailing wages determined by the Secretary of Labor. It affects more workers than any other prevailing wage law.

TAKING PART in the meeting to discuss strategies for fighting the proposed changes were representatives of the Boilermakers, Carpenters, International Brotherhood of Electrical Workers, Government Employees, Laborers, Machinists, Marine Engineers, Painters, Postal Workers, Seafarers, Service Employees and Theatrical Stage Employees as well as the AFL-CIO. The work their members perform for government ranges from cleaning and maintaining buildings to clerical work and technical support for the space program.

New rules to improve the administration and enforcement of the Service Contract Act were issued by the Carter Administration, but these regulations were pulled back for "further study" by the Reagan Administration. Labor Sec. Raymond Donovan said the regulations would be re-evaluated and subjected to cost-benefit analysis.

NOTICE THAT the Labor Dept. was considering changes in the law unfavorable to the workers it was designed to protect came at a May 7 "informal briefing" by

(Continued on Page 8)

Initial Proposals Exchanged

Postal Unions Kick Off Bargaining for 600,000

The Postal Service and the two biggest unions representing about 500,000 of the agency's nearly 600,000 workers kicked off negotiations for a new contract by exchanging initial contract proposals.

In a joint statement, President Moe Biller of the Postal Workers and President Vincent R. Sombrotto of the Letter Carriers said they knew of "no reason why, if both parties work hard, we cannot hammer out a sound, acceptable contract" before the current three-year agreement expires on July 20.

"THE MAJOR ISSUE in these contract talks can be easily predicted," Biller and Sombrotto said, "for they represent the aspirations of working men and women everywhere: improvements in our wages and fringe benefits, improved safety conditions in postal facilities, and the impact of automation on job security.

"In sum, we expect to reap the rewards we have earned as both the most productive workers in the American economy last year and as the world's most productive postal workers."

The unions pointed out that productivity in the USPS last year rose 5.5 percent over the previous year.

EARLIER IN THE day, USPS negotiators opened talks with a third postal union, the unaffiliated National Rural Letter Carriers' Association, and set June 19 as the first meeting date with the Mail Handlers Division of the Laborers. The two unions represent about 100,000 postal employees.

The postal talks are the biggest set of labor negotiations on this year's bargaining agenda. The four unions and postal management planned to open talks on Apr. 22, but the USPS delayed the initial session until the National Labor Relations Board settled a question of union representation. The matter was resolved June 11 when the NLRB rejected Postmaster Gen. William Bolger's bid aimed at having the bargaining done by a single union.

BOLGER, WHO did not attend the opening bargaining session, said in a statement that the USPS was determined to "bargain hard and long" to reach an agreement by July 20.

"We make no pretense that these negotiations will be easy," he said. "They will not be."

(Continued on Page 2)

Unanimous Council Vote Clears UAW Reaffiliation

The AFL-CIO Executive Council has unanimously approved the reaffiliation of the UAW, effective July 1.

As of that date, UAW President Douglas A. Fraser said in a letter to AFL-CIO President Lane Kirkland, the union will be affiliating "our entire membership in the United States," which over the past year has averaged 1.12 million. Another 120,000 UAW members are affiliated with the Canadian Labor Congress.

Kirkland expressed his "personal appreciation" to Fraser and the UAW board for their leadership in ending a 13-year breach and securing reaffiliation.

"I am confident that both the AFL-CIO and the UAW will be strengthened and thus able to do a better job of representing the interests of America's working men and women," Kirkland wrote.

The certificate of affiliation will carry the UAW's full name, the International Union, United Automobile, Aerospace & Agricultural Implement Workers of America.

Labor Panel Presses OECD on Jobs

The Trade Union Advisory Committee to the Organization for Economic Cooperation & Development issued a strong attack on the restrictive economic policies of the major industrial countries and called instead for vigorous efforts to create jobs.

The continuing reliance of major western nations on restrictive, monetarist policies "implies an acceptance of a further rise of unemployment," TUAC warned in a report to the OECD governing council and to the participants of the upcoming Economic Summit meeting in Ottawa.

"RESTRICTIVE POLICIES are undermining employment and investment, creating new sources of inflation instead of tackling the basic underlying problems," the TUAC statement charged.

"The very high nominal interest rates, used as a policy instrument, stimulate capital movements away from socially useful and productive investments into speculative financial activities. They force countries which have been more successful in containing inflation either to import inflation through a devaluation of their currency or adopt restrictive, monetarist policies, and thereby choke off economic activity."

Copies of the statement, drawn up in Paris at a meeting of high-level trade unionists from the free world have been forwarded to Reagan Administration officials as recommended by TUAC. AFL-CIO Sec.-Treas. Thomas Donahue participated in the Paris deliberations.

Rising unemployment was the central concern of the trade union leaders, who were sharply critical of past OECD steps to reverse the trend.

For some years now, the TUAC statement observed, the OECD's ministerial council—the nominal governing body of the 23-nation organization—has held that its policies would reduce unemployment and inflation, promote stable economic growth and balanced trade, and solve the problems of energy.

Approaching the next annual meeting of the council and the Ottawa summit, scheduled in July, the OECD governments are apparently giving up all hope for any real recovery, the trade unionists pointed out.

"IN FACT, the word 'recovery' has been increasingly used to describe a state where unemployment remains stable but at higher levels than before, where inflation is some 10 percent, and economic growth is around 1 to 2 percent. The promised recovery has become a mirage in the eyes of policy planners and makers, too."

Mass unemployment such as that in OECD-member countries, where the number of jobless is approaching 30 million, threatens to tear apart the fabric of western society, the TUAC statement warned. Half of the unemployed are young people, it noted.

Practitioners of monetarist policies expect a recovery through productivity increases in technologically advanced sectors, the statement observed. However, it pointed out, as the recession coincides with demographic and social trends that result in large increases in the number of young people and women looking for jobs, the most likely result is even higher unemployment among these hard-hit groups.

"AT THE SAME time, with the increase of long duration unemployment, more attention has to be paid to the problems of older workers," the TUAC statement added.

Instead of restrictive policies, TUAC called for steps to promote full employment, price stability, investment and adequate growth while coping with energy needs and technological change. Specifically, it recommended:

- Active employment and labor market policies, including direct job creation, which release resources now increasingly tied up in unemployment benefits.
- A targeted investment policy aimed both at improving public services to meet unfulfilled needs and stimulating private investments in economically and socially useful sectors.
- A policy aimed at the shortening of working time without reduction of income. The form in which the reduction takes place should be determined through negotiations which, in turn, are influenced by national circumstances.
- A policy to fight inflation through an attack on its main underlying factors—high interest rates, overdependence on imported oil, market controlling forces, obsolescence of productive capacity, defective income distribution, and unemployment itself.
- A global approach to the prices and supplies of all forms of energy, also in the context of collective negotiations between oil-producing and oil-consuming countries.
- An internationally coordinated reduction of interest rates and reforms in the international monetary system to facilitate the recycling of balance-of-payment surpluses of some oil-producing countries.

"ANTI-INFLATION policies that are consistent with employment growth are a priority for trade unions," the TUAC statement observed. "Trade unions are prepared to enter into dialogue with governments on the full range of economic issues, including price rises, active employment policies and problems of income distribution, with a view to bringing about a greater degree of convergence in expectations about economic performance."

The statement also noted that current restrictive policies carry the often, unpronounced motivation of breaking allegedly "excessive" union power. But, it warned, "weakening trade unions also means increasing social unrest and closing the door to one way out of the crisis—that is, negotiated solutions among all parties concerned. This should not be the time for confrontation but for cooperation, to bring about jointly agreed policies."



HAIL AND FAREWELL to officers of the Firemen & Oilers are offered by AFL-CIO Sec.-Treas. Thomas R. Donahue at the union's convention in Bal Harbour, Fla. Delegates elected by acclamation Sec.-Treas. George J. Francisco, right, as the union's president to succeed retiring John J. McNamara, left, who had been president since 1975. McNamara was named president emeritus.

House Budget Cuts Refute Reagan Gripe at Congress

By David L. Perlman

President Reagan complained at a televised news conference of congressional delay in enacting the huge spending and program cuts demanded by the Administration, but he was flogging a dead horse.

Even as the President spoke, House Democrats had backed down on most of the budget issues in dispute, and the Republican-controlled Senate Budget Committee put the finishing touches on spending cuts even deeper than the $35 billion target that Congress set last month.

WITHIN A WEEK, both the House and Senate are scheduled to act on budget reconciliation bills, comprising hundreds of pages of legislative changes made by congressional committees to bring programs in their jurisdiction within the new spending limits.

The Senate version hews closely to the blueprint drawn by Office of Management & Budget Director David A. Stockman, the architect of the Reagan budget.

The House version strays more from the OMB dictate and in some cases preserves programs the Administration wants to eliminate. But the spending totals are well within the ceilings set in the budget resolution and additions in some areas have been counterbalanced by deeper cuts elsewhere.

A short-lived rebellion was launched in the House by the staunchly liberal Education & Labor Committee, which sought to devise a strategy that would get the House to lift the spending ceiling a few notches. But the committee backed off when it became evident that a conservative coalition so dominated the House that the effort to lessen the hardships of the budget cuts was likely to boomerang.

THE HOUSE Budget Committee bill does differ from the Administration blueprint in one major area.

The White House has sought to scrap a large array of federal programs and substitute instead "block grants" to the states to use as they wish, virtually free of federal oversight. Total funding for these programs would be cut by 25 percent on the excuse that there would be less red tape and administrative costs.

The Senate balked at a number of the consolidations, especially in education programs. And House committees flatly rejected the concept.

The clearly expressed concern of the committees that have jurisdiction over these programs was that the shift to block grants would just be the first step toward ending all federal funding.

IRONICALLY, the exaggeration of President Reagan's press conference assertions and his dismissal of criticism of the Administration by Speaker Thomas P. O'Neill, Jr., as "sheer demagoguery" has at least temporarily ruptured the conservative coalition that has dominated the House.

Key members of the Conservative Democratic Forum have voiced resentment at the President's attacks on budget decisions they helped shape and passed the word, as one member put it, "that we were tired of being manipulated by the White House."

Reagan sought to repair some of the political wounds with a conciliatory telephone call to O'Neill. But for the moment at least, House Democrats were closing ranks.

STILL TO BE decided were the parliamentary rules under which the budget reconciliation bill will be considered by the House—and whether any amendments or substitute proposals will be allowed.

There will be no restriction on Senate amendments to its reconciliation bill. But the political tilt of the Senate is so conservative that any changes would most likely make the spending cuts even more stringent.

Supreme Court Rebuffs Watt In Upholding Strip Mine Law

A unanimous Supreme Court upheld the constitutionality of a strip mining law that the AFL-CIO had strongly supported and that the present Secretary of the Interior had tried to overturn.

The 1977 law requires operators of surface coal mines to restore the land they tear up to environmentally acceptable standards. It prohibits strip mining of land that can't be restored, and it imposes a tonnage tax on coal to pay for reclamation of abandoned mines.

THE HIGH COURT'S decision was an important victory for the government, upholding federal regulatory authority against a states' rights challenge. But Interior Sec. James G. Watt, whose department enforces the law, wasn't doing any celebrating.

Watt was head of the conservative Mountain States Legal Foundation when briefs in the strip mining case were submitted to the Supreme Court last November. Lower courts in Virginia and Indiana had held portions of the law unconstitutional, and President Carter's Secretary of the Interior, Cecil D. Andrus, had directed an appeal to the Supreme Court.

Watt, who had not yet been chosen for the Reagan Cabinet, submitted a brief on behalf of the coal mine operators contending that the strip mining law "usurped government functions" and represented a "trend toward centralized decision-making that threatens to destroy the federal structure of government in America."

Justice Thurgood Marshall, writing for the Supreme Court, said it would be a "radical departure from long-established precedent" if the Supreme Court voided the law.

BEFORE THE Supreme Court decision, Watt had sharply criticized the Interior Dept. administration of the law in a speech to a coal industry trade association and had ordered immediate abolition of two regional offices of the Federal Office of Surface Mining in a speedup of a previously announced reorganization plan.

Passage of the strip mining law was declared a priority goal of the AFL-CIO in the 1977 session of Congress. Similar legislation had twice been vetoed by former President Gerald Ford. The bill that finally became law passed the House by a 325-68 margin and the Senate on an 85-8 vote.

Postal Bargaining Opens for 600,000

(Continued from Page 1)

Biller has said that the unions want a "clearer statement of an employee's right to refuse work under unsafe conditions" and wider protection against layoffs due to USPS's stepped-up use of automated equipment. He said the initial proposals did not cover wage and fringe benefits, and a separate economic package will be submitted later in the bargaining.

The union negotiating team consisted of some 60 headquarters and district officials of the unions. Besides letter carriers, the bargaining covers workers in specific crafts represented by the APWU—clerks, motor vehicle operators, special delivery messengers, and maintenance personnel.

Cotton Dust Standard Upheld

Court Bars Cost Tests On Safety, Health Rules

(Continued from Page 1)

safety, the court ruled 8 to 1 that federal mine inspectors do not have to obtain a search warrant before inspecting stone quarries.

Donahue noted that a six-year struggle has been waged for an effective cotton dust regulation by the Clothing & Textile Workers, the AFL-CIO and the Industrial Union Dept.

"WE HAVE fought mill-owners, the Council of Economic Advisers, the Council on Wage & Price Stability and, since March, the Labor Dept. itself," he observed.

"We are heartened by the outcome of our efforts, not for ourselves, but for the affected workers. For thousands of victims already suffering the debilitating effects of brown lung, today's decision is probably too late. But for the half-million active textile workers, it comes not a minute too soon."

ACTWU President Murray H. Finley and Sec.-Treas. Jacob Sheinkman reinforced Donahue's comments, noting that the decision is a welcome development for all workers who encounter serious health hazards on the job.

"WE CALL UPON the Secretary of Labor to vigorously enforce this standard and to immediately cease his recent efforts to weaken OSHA standards," they said.

The cotton dust standard was developed by the Carter Administration in 1978 in an effort to eliminate the "brown lung" hazard that textile workers face. But it was challenged by employer groups on the ground that the installation of required engineering controls would be too costly.

In an unusual maneuver, the Reagan Administration asked the high court two months after oral arguments were presented in the case to delay its pending ruling until OSHA conducted a cost-benefit study of the standard. The court pointedly refused to do so.

Labor Sec. Raymond J. Donavan and OSHA Director Thorne G. Auchter have also maneuvered to stall several other safety and health standards developed by the Carter Administration through implementation of an order by President Reagan to apply cost-benefit analysis to federal regulation.

BRENNAN'S DECISION incorporates a number of points contained in the AFL-CIO's brief and oral arguments delivered by Atty. George H. Cohen on the cotton dust case.

In reviewing reports and debates on the safety bill when it was before the House and Senate, Brennan noted that "perhaps most telling is the absence of any indication whatsoever that Congress intended OSHA to conduct its own cost-benefit analysis before promulgating a toxic material or harmful physical agent standard."

WHILE UPHOLDING the essence of the cotton dust standard, the court vacated a section of the regulation dealing with wage and job guarantees for workers transferred to less hazardous jobs for medical reasons.

The standard requires employers to transfer workers who cannot use respirators to lessen their exposure to excessive levels of cotton dust. But the court said that OSHA had not proved the need for the wage guarantees and remanded that section back to the federal appelate court. which had earlier affirmed the full standard, for further hearings.

However, the need for respirators should end by Mar. 27, 1984, the deadline for employers to have engineering controls fully operational.

ACCORDING TO an industry survey cited by ACTWU Safety Director Eric Frumin, about 75 percent of the nation's spinning and weaving mills already have engineering controls in place to meet reduced exposure limits.

The standard limits worker exposure over an eight-hour workday to 200 micrograms of respirable cotton dust per cubic meter of air in yarn manufacturing, 500 micrograms in textile production and 750 micrograms in slashing and weaving.

Dissenting opinions in the cotton dust case were issued by Justices Potter Stewart and William H. Rehnquist, who was joined by Chief Justice Warren E. Burger.

ON THE MINE SAFETY inspection access decision, the court held that the Fourth Amendment is not violated when inspectors from the Mine Safety & Health Administration enter a stone quarry without a court warrant.

The majority decision by Justice Thurgood Marshall concludes that the inspection program under the 1977 mine safety law "in terms of certainty and regularity of its application, provides a constitutionally adequate substitute for a warrant."

In its finding, the court distinguished the MSHA inspection program from the OSHA provision for more "random" warrantless inspections which the Supreme Court overturned in 1979.

The mine inspection case involved a Wisconsin quarry owner who refused to allow a federal inspector to conduct a follow-up inspection to determine if violations had been corrected.

Donahue said the two decisions reinforce the federal government's "responsibility to protect the lives, health and safety of workers."



FIVE DECADES OF CARTOONS by Bernard Seaman, whose work appears regularly in the AFL-CIO News and other labor publications, are on display at the State, County & Municipal Employees headquarters in Washington through Aug. 16. The show is sponsored by AFSCME and the Electrical, Radio & Machine Workers. From left, AFSCME Sec.-Treas. William Lucy, IUE President David J. Fitzmaurice and AFSCME President Jerry Wurf.

Federal Bases Ruled Immune To State 'Right-to-Work' Law

Atlanta—A state "right-to-work" law banning union shop agreements is invalid in a federal "enclave" within that state, the U.S. 5th Circuit Court of Appeals ruled.

Its decision upheld the validity of the union shop-agency shop contract between RCA International Service Corp. and a local of the International Brotherhood of Electrical Workers, which represents RCA employees at various Air Force and aerospace installations in Florida.

IT REJECTED the argument by the National Right to Work Legal Defense Foundation, on behalf of eight employees in the bargaining unit, that Florida's law prohibiting a union shop was binding on the federal properties. The "right-to-work" argument was that there was no conflict between federal and state law since Section 14(b) of the Taft-Hartley Act specifically allows states to prohibit a union shop.

The appellate court panel, by a 2-1 margin, also rejected a federal district court's finding, which both sides had appealed.

The district court held that applicability of the "right-to-work" law depended on when the property had been ceded to the federal government. Under this reasoning, it ruled that the union shop agreement could be enforced at the Patrick Air Force Base, because that property had been ceded to the federal government in 1940, before the state "right-to-work" law was passed. But the district judge held that a union shop or agency shop couldn't be enforced at Cape Canaveral Air Force Station because the state ban had been in effect before the property was transferred to the federal government.

The dissenting appellate judge agreed with that reasoning. But the majority decision, by Circuit Court Robert S. Vance, held that federal and state labor policy was in conflict because union shop agreements are specifically allowed under the National Labor Relations Act. Therefore, the federal position would govern.
munications Workers.

A similar conclusion had been reached in an earlier case decided in the 4th Circuit Court of Appeals, which the Supreme Court declined to review and thus left final. But that case did not involve the issue of whether a state "right-to-work" law had been in effect at the time of the creation of the federal enclave.

Air Controllers Rap FAA Policy, Call Strike Vote

Negotiators for the Professional Air Traffic Controllers Association unanimously rejected a new contract proposal by their employer, the Federal Aviation Administration, and set a strike vote for June 21.

Unless a reasonable, ratifiable offer is made to PATCO bargainers by that date, the union said it would determine member support for a walkout, which it is planning for June 22 at 7 a.m. Members authorized a strike vote in February just before bargaining began.

PATCO President Robert Poli, who heads the nine-member union negotiating team, criticized the FAA for failing to bargain on the issues. The union's main concerns are wages, working hours, and retirement benefits, which are up to Congress to approve. But Poli says the FAA "won't even bargain on issues (such as working conditions) which it can bargain on."

PATCO's old contract expired on Mar. 15. Formal talks broke off Apr. 28, and the two sides have met informally a number of times since then, frequently with the presence of a federal mediator.

PATCO, an affiliate of the Marine Engineers' Beneficial Association, represents over 14,000 of the nation's 17,000 air traffic controllers.

Brown Returns to Seat on ILO Council

Geneva—A sweeping victory of the free workers at the International Labor Organization's assembly here returned AFL-CIO International Rep. Irving Brown to the seat he resigned on the agency's Governing Body when the United States temporarily withdrew from the ILO in 1978.

Brown, the U.S. worker delegate to the ILO, was on the ticket sponsored jointly by the International Confederation of Free Trade Unions and the Organization of African Trade Union Unity.

IN ACCORDANCE with the ILO's "tripartite" structure that gives labor and employers independent voices alongside their governments in the 145-nation organization, the workers met in caucus to elect their 14 representatives for a three-year term on the Governing Body, the ILO's executive council.

The free workers captured the 13 seats they sought. Among those re-elected in the victory were Gerd Muhr of West Germany's Confederation of Trade Unions; Shirley Carr, executive vice president of the Canadian Labor Congress; Glynn Lloyd of Britain's Trades Union Congress; Sanchez Madariaga of the Mexican Federation of Labor, and Moussa Sow of Mauritania, vice president of the African Trade Union Unity Orgazination.

Another significant development was the re-election of Gideon Ben-Israel of Histadrut among the 14 worker representatives on the Governing Body. While backed by the ICFTU, the Israeli labor spokesman was not officially endorsed by the African group.

HIS RE-ELECTION in the absence of this endorsement was a clear indication that many African worker delegates voted for him for their own trade union reasons despite the pressure exerted by the Arab bloc to retain African support for its anti-Israel policy.

This policy has been marked in the ILO session's general debate by calls from the Arab governments for the designation of a "Day of Solidarity" for the Palestinians' "relentless struggle against racism and discrimination," as Kuwait's labor minister, Hamad al-Rujaib, put it. The proposal has gathered little support.

Addressing the 1,800 trade unionists, employers and government officials attending the assembly, President Luis Herrera Campins of Venezuela listed the right to organize and bargain collectively as an "essential and irreplaceable condition" for justice in human relations. He announced that his government is making a $770,000 special contribution to the ILO's vocational training program in the Caribbean and Central American regions.

MEANWHILE, the session got down to the ILO's basic task by preparing in committee new international standards, which can have the force of treaties, on the protection of workers' health and safety on the job. Similar work is under way on measures to insure that workers, whether men or women, are not denied job opportunities or advancement simply because they have family responsibilities.

A committee is also drafting a recommendation that the assembly will make to governments on the steps they should take in consultation with unions and employer organizations to make collective bargaining a reality.

United Way's Beirne Award Cites Rhode Island Leader

San Francisco—Edwin C. Brown, secretary-treasurer of the Rhode Island AFL-CIO, is the 1981 recipient of United Way's Joseph A. Beirne Community Service Award.

Brown, a member of the Machinists, has been involved in United Way programs for the past 25 years in Rhode Island and New England.

The award is presented annually in memory of the late president of the Communications Workers.

The Broken Promise

THE SOCIAL security program was born in the midst of an economic crisis and it has survived many challenges through the years. But there has been no time when there has been so direct and dangerous a challenge to the program as now. The Reagan Administration's proposals would have a devastating impact on the economic security of the American people and their confidence in the program.

Workers have paid their share in the expectation of an earned right to social security benefits. The government must not break its compact with American workers.

The President advanced these proposals under the guise of dealing with social security's financial difficulties. But the cuts far exceed what is necessary to deal with these problems.

Workers electing or forced into early retirement at age 62 now receive 80 percent of their full benefit paid at age 65. The President's proposal would reduce this to 55 percent at age 62. Other proposed changes would actually reduce the amount to well below 50 percent of the full benefits.

Roughly 70 percent of workers who retire early do so for two reasons—ill health and inability to find a job. If the President's proposal is adopted, in 1982, no retiree age 62, single or couple, would receive a benefit as high as the official poverty threshold.

THE PRESIDENT made no attempt to provide liberalized disability benefits to compensate for the crushing impact of the early reductions on the majority of workers who retire early because of ill health. On the contrary, he proposes to make eligibility much more restrictive and to cut the overall program by one-third.

The Administration proposes to reduce future benefits by a technical change in the computation formula and eliminate benefits to federal, state and local retirees who qualify for social security from other employment.

All of this from a President who during his campaign said "the benefits of those now receiving, or looking forward to receiving, social security must be protected."

A DANGER exists that the Administration's proposals are so extreme that it may increase the willingness of some Americans to accept cuts they would not have otherwise tolerated. This appears to be the Administration's new fall-back strategy since they have now indicated a willingness to "compromise." They may be willing to do so, but the AFL-CIO is not.

We will not be intimidated by politically motivated exaggerations. As with any problem, there is more than one solution. The Administration's is the worst.

The AFL-CIO believes that interfund borrowing, partial general revenue financing and income tax credits for social security taxes paid are much fairer alternatives. With the adoption of these alternatives, Congress will have met the problem head on and will have met its obligation to protect the system's and, indeed, the government's integrity by honoring the commitments made to American workers.

—From AFL-CIO statement to House Ways & Means Subcommittee on Social Security, June 12, 1981.

AFL-CIO News

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THOMAS R. DONAHUE, *Secretary-Treasurer*
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'We Have Met the Enemy!'



Face-Saving Insurance

'Mushiness Index' of Pollsters Reflects Uncertainties of Life

By Gus Tyler

IN THIS AGE of uncertainty, it was inevitable that someone at some moment would further shake our certainty by telling us that all those opinion polls, with their seemingly firm facts, are not quite as firm as we were led to believe. And now the "research" firm of Yankelovitch, Skelly & White has officially said so.

On March 20, notes a press release from YS&W, a "mushiness index" was "unveiled at a conference." From now on, promises the company, no poll will be completed without its measurement of mush.

THE PUSH TO MUSH appears to have been prompted by the embarrassment of pollsters in the last go-around before the 1980 elections. The modern oracles erred in predicting a close election that was not close. Now YS&W attributes this to "a last minute switch to President Reagan—a switch that some critics feel public opinion surveys did not properly signal."

The "mushiness index" will help to avoid any future appearance of infallability. By foretelling the outcome and then by recording just how soft the statistics really are, the seers will be taking out insurance against failure. If the forecast comes out otherwise, then the pollster can point to the mush mash to claim honor anyhow.

It is a tribute to the polling industry and especially to YS&W that they have been able to turn lemons into lemonade. The industry did goof. But instead of saying, "I'm sorry," it now says, "now we are greater than ever."

YS&W is ready to share its discovery of mush with others. "Our firm is making a commitment," they say, "to use the index whenever we survey attitudes on public policy issues, and we are delighted to share it with anyone who cares to use it."

THE DISCOVERY that things are not quite as predictable as we would like them to be comes rather belatedly to the polling business. More than half a century ago, the Principle of Uncertainty was enunciated in a discipline where certainty was always assumed; namely, in the field of physics, an exact science.

It was Werner Heisenberg who concluded that those sub-atomic particles called electrons behaved in ways we could not foretell, despite those "immutable" laws of nature. At the core of the universe, in the innards of the atom, there was a mushiness.

In our daily lives, of course, we are constantly reminded of the principle of uncertainty. The other day, I was told at the railroad station that there would be delays of up to 20 minutes on my line; when the train arrived, half the doors did not open; in the overcrowded car, the air-conditioning did not work; two people fainted; the escalator to carry us to the street floor was inoperative.

WHEN I GOT to my appointed place an hour late, the elevator door would not open at my floor; I pushed buttons and rang bells and began to move, only to get stuck in between floors. When I finally climbed out and made it, I was told that someone had tried to assassinate the President but that Reagan had not been hit; Haig was wounded in the head. And so it went.

Maybe Heisenberg, YS&W, and my dizzying day are all on the same wave length, just subparticles within a civilizational atom that is turning mushy.

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Attack on Government Blow to All Workers

Six months ago, the Reagan Administration came out of its corner swinging. It promised to deliver the punch that would solve this country's undeniably tough economic problems.

So far, all we have seen is a series of blows to the rights of working Americans.

Government spending is the root of all evil according to the gospel preached by the new Administration.

The Reagan Administration is listening only to itself if it seriously believes that the American people gave it carte blanche to dismantle the government of the United States and the services it provides.

Surely, the intense public outrage over the social security cuts should give them a hint.

—Kenneth Young, executive assistant to AFL-CIO President Lane Kirkland, at Public Employee Dept. convention, Washington, D.C., June 12, 1981.

Analysis of Issues, Goals

New Approach Sought to Solve Lag in Civil Rights Progress

By Bayard Rustin

IT IS WIDELY recognized that the struggle to improve the social and economic life of black Americans and poor people in the United States has reached an impasse. While we are fully aware of the impending problems and hardships we face, too little thought has been given to three important questions:

- What economic changes have occurred in the 1970s and 1980s which require changes in the strategies and tactics used so successfully in the '60s?
- Why do we appear to have lost the support of those allies who stood so firmly alongside us in the 1960s?
- Why do so many of the major objectives and programs we in the civil rights movement earlier espoused appear to have lost support even within much of the black community: integrated schools and housing, busing, etc.?

TO INTELLIGENTLY answer these questions we must ask others:

- To what degree has race declined as the dominant factor in the continuing inequality of the races, and in what areas is this development most apparent?
- Which problems have not traditionally received significant attention by black leaders, but require their attention today?
- Can we develop a strategy to deal with the decline in black political participation? This question involves both the role of blacks in the electoral process (political party participation, registration levels, voter participation rates) and the relationship of blacks to such grass-roots forces as community groups, business, the trade union movement, and the like.
- Can new approaches to affirmative action be devised which can win the support of a consensus of those groups which once comprised the civil rights coalition? Here it would be essential to look carefully at whether a course of action based on economic and class criteria or on ethnic, religious, racial, and sexual criteria should be pursued.
- An examination of the process by which blacks can achieve further economic and social progress.
- An assessment of the differences between the social and economic programs of the traditional civil rights organizations and those of the black political leadership, with a view toward creating a common program for the future.
- The attitudes and relations of American blacks toward refugees and undocumented aliens who are perceived to be in competition with blacks for jobs and social services, and how these attitudes and relations affect the process of coalition building.
- The role of heightened racial identity as a motivating force toward progress and, simultaneously, the role of race consciousness as an impediment towards the development of effective strategy and tactics.
- How can the educational process be modified to meet the changing needs of the job market?
- Can new careers be created to meet the needs of the poor? Can the very nature of work be redefined?

THERE IS A NEED to bring together the most creative minds in America to explore these questions. Such a group must try to develop a new social policy for the 1980s, founded upon the results of their philosophical, sociological, and intellectual exploration.

This group, or institute, would need to examine both domestic and foreign policy issues which affect minorities, women, and the poor. For instance, it is imperative to recognize that blacks may lose a vast number of American jobs, not because of discrimination, but because of the shift of labor intensive industry abroad—a fact largely ignored by the black community. There is a clear and urgent need to respond to this and similar developments.

A broad range of very important issues require from us a serious analysis and the formulation of new objectives. If we in the civil rights community do not make such an effort, we will continue to hold on to those policies, programs and strategies of the past which demonstrably are failing.

Donovan Proposal Assailed

Move to Lift Ban on Homework Would Revive Sweatshop Era

LIFTING THE 40-year-old ban on industrial homework would cancel out the Labor Dept.'s drive against the growing number of sweatshop apparel plants, Vice President Evelyn Dubrow of the Ladies' Garment Workers warned on Labor News Conference.

Worse yet, Dubrow declared, ending the restrictions laid down by Congress in 1949 would clear the way for unscrupulous employers to shift their operations to tenements, barrios and ghettos of urban and rural America, where the already high incidence of wage, hour, safety and health violations would be even harder to detect. She rejected the notion suggested by some advocates of the industrial homework scheme that the work would be performed in "pleasant suburban surroundings" and that mothers could take care of their children while they earn a little money.

Immigrants and undocumented workers would be the most likely to become "victims of unconscionable employers who want to make more money on them than fair employers would," Dubrow asserted.

Dubrow said that employers and consumer groups have joined with the labor movement in opposition to Labor Sec. Raymond Donovan's plan to lift the homework ban. "It's unfair to employers who have to pay taxes, who have to pay for the upkeep of machinery, who have to pay for the lights, who have to keep their workplaces in good, healthful and safe condition," she stressed.

Dubrow pointed out that the homework restrictions were adopted to help eliminate the very kind of "kitchen sweatshops" and child labor that would return if the Administration's plan is approved.

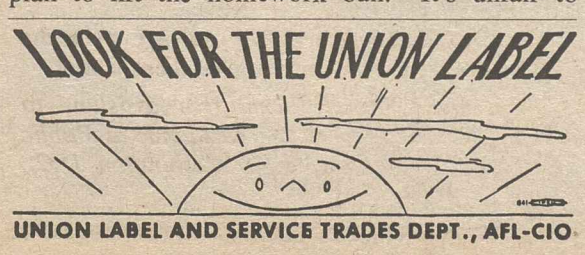
"THERE IS NO way of guaranteeing that all of the family isn't working on industrial homework," she said. "They can work 24 hours a day, because there's just no way of policing the situation," she pointed out.

Dubrow said that many employers are just as concerned as organized labor about the Administration's attempt to lift the restrictions on homework.

"They find that if they have to compete with employers who are encouraging homework, they can't possibly meet the wage scale they have to pay. They can't meet their expenses because they are the victims of unfair competition."

The ILGWU leader noted that "there's a difference between industrial homework and what is known as a "cottage industry," which is done because a region has a particular kind of industry that more or less deals with their folklife. That's an entirely different situation."

Dubrow, who is legislative director of the ILGWU, was questioned by Ann McFeatters of the Scripps-Howard Newspapers and Drew Von Bergen, United Press International.



UNION LABEL AND SERVICE TRADES DEPT., AFL-CIO

Washington Window

By Press Associates, Inc.

ONE OF THE FIRST things Dwight Eisenhower did when he became president in 1953 was to appoint a blue-ribbon commission to find out why the federal government was growing, ostensibly at the expense of the states.

The panel reported back that federal programs were being created because of the inability or unwillingness of the individual states to meet people's needs.

Today, the durable advocates of "states' rights" finally have one of their own in the White House.

The Republican Party's view of history, as laid out in its 1980 platform, is that the Democratic Party brought about "Big Government" and did it "under the guise of providing for the common good."

TO TURN THINGS around, President Reagan has proposed a "new federalism" which would convert scores of specific programs into "block grants" and turn them over to the states—whether they want them or not, whether they are able to administer them or not.

At the same time, federal funding for these consolidated health, education, community development and social service programs would be cut 25 percent initially, or at least 35 percent if inflation is figured in.

A coalition of 63 national organizations—including civic action, civil rights, consumer, senior citizen, religious and labor groups—recently held a briefing on Capitol Hill to explain what block grants would mean to their various constituencies.

The categorical grant programs, it was recalled, weren't set up at the whim of Washington bureaucrats, as critics imply. They evolved after years of study and debate out of real needs which were not being addressed by the states.

Some examples are the Title I program to help educationally deprived children, aid to handicapped students, legal services for the needy, low-income energy assistance, community and mental health services, and clinics for migrants and black lung victims.

Under the block grant proposal, federal money would be handed over to the states to use as they please under broad, undefined areas of eduucation, health and the like.

There are no standards nor requirements for adequate record-keeping and reporting, and thus no way for Congress or anyone else to evaluate how programs are working.

There is no requirement that these federal funds not be used to substitute for state funds that would otherwise be used for the same purpose.

As a coalition member observed, the Reagan block grant approach would turn the competition for public funds over "to a brutal political struggle where the most vulnerable and least powerful groups are almost certain losers."

As he sees it, "the handicapped will be pitted against the aged, foster care parents against child care advocates, and black lung victims against mental health patients."

THE BLOCK GRANTS, if enacted, would "set the stage for even deeper cuts and less accountability in the future," it was predicted. It was noted that Reagan said in March that "block grants are only the intermediate steps" in his so-called "new federalism."

Congressional committees in both houses recently have taken a skeptical look at the Reagan block grant package and have rejected many parts of it.

However, further battles on the issue loom in committees and on the floor of the House and Senate. More citizen education and vigilance is needed to get the message to Congress that the federal government must not abandon to the states its responsibilities to the needy and the powerless.



A GREEN LIGHT for sweatshop apparel plants is seen in Labor Sec. Donovan's push to scrap the 40-year-old ban on industrial homework, Ladies' Garment Workers Vice President Evelyn Dubrow, center, warned on Labor News Conference. She was questioned by Drew Von Bergen of United Press International and Ann McFeatters of the Scripps-Howard Newspapers. The AFL-CIO produced interview is aired weekly on the Mutual radio network.



WORKER FATHER of the Year is Richard Vande Sande, a member of Glass Bottle Blowers Local 226 in Burlington, Wis. Vande Sande, selected for the honor by the National Father's Day Committee, was cited for church, civic and labor activities. He is shown at home with his family —son Matthew, daughter Heather and wife Judy—and is congratulated by fellow workers on the job. Vande Sande has served as city council president, a member of various city commissions, and vice president and financial secretary of his local union as well as captain of a volunteer fire company. He also holds the George Meany Award for 36 years of service to scouting.



Labor Board Hearing Set in Baseball Case

New York—The National Labor Relations Board moved ahead with plans for a hearing on unfair practice charges against major league baseball club owners as negotiations in the week-old baseball players' strike resumed with no discernible progress.

An NLRB administrative law judge was to have opened hearings on the complaint against the owners on June 15, but Daniel Silverman, New York regional director of the NLRB, delayed the hearing a week to give the parties time to negotiate.

THE COMPLAINT, based on charges by the Major League Players Association, was filed against the owners by NLRB Gen. Counsel William Lubbers. It accuses management of failing to bargain in good faith by refusing to give the union the financial data it says it needs to assess the owners' claim that financial hardship requires a change in player free-agency rules.

Compensation to teams that lose premium players to free agency is the sole issue in the strike that got under way June 12 following the denial of an injunction against the owners. The injunction, requested by the NLRB, would have blocked management from implementing its controversial free-agent compensation plan.

Under an agreement that the two sides reached in averting a regular-season walkout last year, the owners had the right to put their compensation plan into effect by Feb. 20 and the players had the right to strike in response by June 1. That strike deadline was extended while the NLRB attempted to obtain the injunction against the owners that would have set aside the compensation issue until next year.

NEGOTIATORS for both parties met June 16 but the compensation issue was not directly discussed. Federal Mediator Kenneth E. Moffett said that, instead, "we explored the past history of how we got into the situation we're in right now."

Moffett described the talks as "amicable but without progress toward the end of a strike."

The strike affects 650 major league players on the 26 teams in the two major leagues.

2 Unions Reach Settlements with Associated Press

New York—The Newspaper Guild and the Telegraph Workers reached tentative agreements with the Associated Press on new contracts that provide substantial wage and benefit improvements.

The agreements, which are subject to ratification by members of both unions through mail referendums, cover 1,200 Wire Service Guild members and 450 members of UTW's Division 14. The Guild's old contract with the AP expired last December and the UTW's pact ran out on June 1.

The Guild agreement provides for wage improvements for both editorial and non-editorial employees averaging about 18 percent over the term of the contract which expires Dec. 31, 1982. A cost-of-living clause was dropped.

The UTW reported that wage and benefit improvements for top-scale employees will average about $100 a week over the next two years.

Both unions won improvements in company-paid health insurance, dental plans and pensions.

IUD Legislative Conference Focuses on Program Cuts

The annual legislative conference of the AFL-CIO Industrial Union Dept. focused on the Reagan Administration's budget and tax cuts, its attacks on safety and health protections, and a new round of anti-labor legislation.

The conference was addressed by three liberal members of Congress and culminated in an afternoon of lobbying on Capitol Hill by the 350 conference delegates.

IN VISITING congressional offices, delegates urged senators and representatives to work for adequate funding for safety and health as well as job training, education and public health programs benefiting workers and the poor.

The legislators were urged to support the Guarini-Brodhead bill, which targets tax relief to the individuals and industries that need it most. It includes the AFL-CIO's proposal for an income tax credit on social security payroll deductions.

Also, delegates lobbied against anti-labor bills, including legislation to deny food stamps to strikers and their families, to amend the 1946 Hobbs Act so that any incident of violence on a picket line would be made a federal crime, and to repeal the Davis-Bacon prevailing wage act.

Addressing the conference were Representatives David R. Obey (D-Wis.), and George Miller (D-Calif.), and Sen. Howard M. Metzenbaum (D-Ohio).

OBEY, a member of the House Budget Committee, predicted that the Reagan budget and tax proposals, if enacted, would produce four years of large deficits, more inflation, higher interest rates and lower productivity.

The Reagan across-the-board tax cut, which benefits "high-income taxpayers at the expense of middle-income and poor" people, is based on "the old trickle-down theory," said Obey. "It didn't work under Herbert Hoover and it won't work under Ronald Reagan."

He said Administration budget cuts were economically shortsighted in such areas as job training, scientific research and health care.

"WE SPEND less on job training than any other industrial society, but Reagan is cutting the guts out of this," he said.

Obey urged the delegates "to go home and explain what the cuts mean in your shops and communities. The only way to turn this town around is to start raising hell back home where it counts."

Miller, a member of the House Education & Labor Committee, charged that "the Dept. of Labor has launched the most systematic attack on the rights of working people since the 1920s" in its assault on occupational health and safety regulations.

THE MESSAGE is, he said, "that after 30 years on the job, you get a watch and you also get cancer."

He said the department's actions reflect "an agenda of anti-labor extremists who are in favor of labor unions in Poland but seem intent on destroying the labor movement in this country."

Metzenbaum predicted that after budget and tax issues are disposed of, the Administration and conservatives in Congress will begin "to move in full force against the labor movement." **(PAI)**

Yaeger Elected President Of Arizona State AFL-CIO

Flagstaff, Ariz.—Delegates to the Arizona State AFL-CIO's annual convention here elected William Yaeger of Phoenix as president and returned Sec.-Treas. Darwin Aycock for his eighth term.

Pete McGee of the Plumbers & Pipe Fitters was elected first vice president, the post formerly held by Yaeger. The 250 delegates to the three-day meeting also elected Fermin Martinez of the Laborers and Norman Rudd of the Operating Engineers as second and third vice presidents.

YAEGER, WHO is with the Machinists, succeeds Fred J. Brown who was named president emeritus.

Resolutions adopted by the convention assailed the Reagan Administration's proposals to undermine federal laws that protect workers, including weakening the protections of prevailing wage laws and the Occupational Safety & Health Act.

Another measure expressed firm opposition to the Administration's plan to cut social security benefits, and the delegates renewed the state federation's long-standing demand for a state program to aid medically indigent citizens. Arizona is the only state without a Medicaid plan.

A special resolution of appreciation for service "to the labor movement and to the nation" was voted for AFL-CIO COPE Director Al Barkan.

THE DELEGATES also expressed support for the Polish workers and their union, Solidarity, and they commemorated the 25th anniversary of the merger of the AFL and the CIO in the state, including recognition of all delegates present who had also attended the state federation's first merged convention.

Speakers included Sen. Dennis DeConcini (D-Ariz.) and Gov. Bruce Babbitt, AFL-CIO Regional Director James Baker, Area COPE Director LaMar Gulbransen, AFL-CIO Rep. Grace Carroll, and COPE Western Region VIP Director Jane Adams.

Reagan Appoints EEOC Chairman, Wage-Hour Chief

President Reagan appointed a chairman of the Equal Employment Opportunity Commission and a wage-hour administrator. But other high-level posts of special interest to the trade union movement remained unfilled six months after the Administration took office.

The new EEOC chairman is William M. Bell, 55, who has operated a Detroit personnel consulting firm that specialized in placement of minorities.

Bell had served as a consultant to the EEOC chairman during the Ford Administration and will succeed Eleanor Holmes Norton. Another EEOC vacancy remains to be filled.

William M. Otter, 58-year-old Kentucky attorney who has represented management in collective bargaining, has been picked to head the Labor Dept.'s Wage & Hour Division.

He is a former director of the Kentucky Dept. of Labor and was a consultant to the Occupational Safety & Health Administration in 1971-76.

Both Bell and Otter must be confirmed by the Senate.

The President has still not appointed an under secretary of labor, the department's second-ranking position. Also vacant are the posts of assistant secretary for policy, evaluation and research and the director of the Women's Bureau.

At PED Convention

Public Sector Unions Hit Attacks on Government

By Susan Dunlop

Delegates to the fifth biennial convention of the AFL-CIO Public Employee Dept. approved restructuring of the department, a per capita tax increase and a series of resolutions condemning attempts to slash the budgets for public services and make public workers scapegoats for the nation's economic ills.

PED President Kenneth Blaylock told the 130 delegates to the Washington meeting that the convention's job was to strengthen the department's ability to deal with the "seriousness of the attacks on government and the people who work for government."

BLAYLOCK, WHO is president of the American Federation of Government Employees, urged the delegates to improve communications with the public and among their members to counter attempts to pit public employees "against the public instead of showing ourselves as the friends of the public we really are."

Public workers must build coalitions with "natural allies" in the labor movement and among its supporters, Blaylock said.

The delegates approved changes in the department's constitution to provide for an elected president, secretary-treasurer, two executive vice presidents and nine vice presidents as well as an appointed executive director. Previously, the PED leadership structure had consisted of the two top elected officers and a 34-member executive board with an appointed executive director.

Blaylock was elected to his first full term as president, and Teachers President Albert Shanker was elected secretary-treasurer. Blaylock had been serving out the term of William H. McClennan who retired from office in February.

JOHN SWEENEY, president of the Service Employees, and Vincent Sombrotto, president of the Letter Carriers, were elected executive vice presidents of the department.

Elected as vice presidents were Ande Abbott, Boilermakers; William Boarman, Typographical Union; John A. Gannon, Fire Fighters; J. C. Turner, Operating Engineers; Rodney Bower, Professional & Technical Engineers; Sol Fishko, Printing & Graphic Communications Union; Angelo Fosco, Laborers; Moe Biller, Postal Workers; and Dan V. Maroney, Jr., Amalgamated Transit Union.

The 13 officers will serve as the department's executive committee which will meet four times a year. The full executive board will continue to consist of representatives from the department's 34 affiliates and will meet once a year. John Leyden is the department's executive director.

The delegates approved a per capita tax increase on a sliding scale which Blaylock said "will give PED the opportunity to respond to the threats to government and its workers."

AFFILIATED UNIONS will pay 4 cents per member per month on the first 100,000 members and 2.25 cents on membership over 100,000, an average of 3.2 cents. The previous per capita, unchanged for six years, was 2 cents per month.

In an address to the delegates, Kenneth Young, executive assistant to AFL-CIO President Lane Kirkland, scored the Reagan Administration's budget-cutting proposals as a "short-changing of American workers" that will "translate directly" into closed doors on public services and lost jobs in both the public and private sector.

Public workers have the support of the AFL-CIO, Young pledged, in the fight to maintain a fair budget and to stave off "union-busting tactics" such as those employed against the Postal Workers and Air Traffic Controllers to delay negotiations for decent contracts.

THE AFL-CIO and public workers' unions must seek to "prove to Congress that the labor movement and its allies do not give up their principles and to prove to scoffers and enemies of labor that we do speak for the interests and beliefs of the rank and file," Young stressed.

Among the 43 resolutions adopted by the delegates were measures condemning the Administration's plans to slash 83 federal programs and destroy more than a million jobs. The delegates called for passage of the AFL-CIO's tax cut proposal as a more equitable alternative to the Administration's plan.

Other resolutions called for extension of federal safety and health protections to the public sector, full collective bargaining rights for public workers at all levels, compliance with the law establishing pay for federal workers at levels comparable to the private sector.

The convention expressed firm opposition to mandatory social security coverage of federal workers, to the tuition tax credit proposal, to relaxation of the postal Private Express Statutes and to the contracting-out of federal jobs.

THE CONVENTION honored one of the former hostages held by Iran, William Royer, a member of AFGE Local 1812, now based in Washington with the U.S. International Communication Agency.

Other speakers at the meeting included Sen. Paul S. Sarbanes (D-Md.), Sen. Ted Stevens (R-Alaska), and Rep. William D. Ford (D-Mich.).



FAIR TREATMENT for public workers has been left off the Reagan Administration's agenda, Sen. Paul Sarbanes (D-Md.) told delegates to the convention of the AFL-CIO Public Employee Dept. in Washington. The convention called for preservation of public service programs and jobs in the federal budget and an equitable tax cut plan.

Coast Guard Fee Proposal Branded Unfair Tax Burden

The imposition of user fees for U.S. Coast Guard services would put an unfair tax burden on the maritime industry, Seafarers President Frank Drozak told Congress.

Drozak opposed the Reagan Administration's proposals to charge for services in testimony before the Coast Guard subcommittee of the House Merchant Marine & Fisheries Committee. The panel is holding hearings on the Administration's request for statutory authority to charge most vessels entering U.S. waters for a broad range of port and maritime services. Pleasure and fishing boats would also have to pay an annual flat fee.

THE ADMINISTRATION plan is a tax, Drozak charged, because it is "a method of raising revenues for the discharge of governmental functions." This plan would "essentially delegate the legislative power to tax to the Executive Branch" by giving the Secretary of Transportation "substantially unrestricted power" to decide who would be charged for which services and how much, Drozak warned.

As outlined, the Administration plan calls for charges for certain inspection, licensing and certification services, but the proposal to Congress was not accompanied by a specific schedule of such services, Drozak pointed out.

By delegating such broad revenue-raising authority to the Executive Branch, Drozak stressed, "an uncertain and added burden" would be placed on the U.S. merchant fleet "due to the absence of a fixed fee schedule and the probability of future expansion" of the range of charges.

"The Administration's proposals," Drozak said, "are based on the premise that some Coast Guard services are of benefit only to particular segments of the population and that fairness dictates these services be subject to 'user fee'."

HE SUGGESTED, however, that because the Coast Guard is a "multi-mission" agency performing many functions in the public interest, it is difficult to determine who are the "sole beneficiaries" of any of its services.

Drozak told the committee that "a safely maintained and operated vessel, manned by a qualified and trained crew, accrues benefits to the public" well beyond the inspection, documentation, crew licensing and certification services provided by the Coast Guard to the owners.

Congress Urged To Enact Limits On Interest Rates

Recent laws and regulations have removed restraints on interest rate charges on loans to such an extent that businesses, consumers, and the economy as a whole stand to suffer serious injury, the AFL-CIO warned Congress.

Henry Schechter, director of the federation's Office of Housing & Monetary Policy, urged that appropriate statutory limits on interest charges be enacted immediately.

Interest on commercial and farm loans now may not exceed the higher of either the maximum rate permitted by state law or a rate 5 percentage points above the Federal Reserve discount rate, plus whatever surcharge there might be.

"Since surcharges are paid only by the relatively few banks who make excessive use of the discount window, it is a phantom cost for most banks," Schechter told the Senate Banking Committee.

He urged Congress to delete the surcharge from the formula setting maximum interest rates, and called for reduction of the 5-point spread above the discount rate since banks can and do make loans with a much smaller spread above their current new money costs.

Schechter also urged a statutory limit on how much the interest rate may be raised on adjustable rate mortgages. Recently issued regulations of the Comptroller of the Currency and the Federal Home Loan Bank Board place no limit on the rate.

F. E. Dubois Named Head Of Mine Safety Agency

President Reagan has nominated F. E. Dubois III as an assistant secretary of labor to head the Mine Safety & Health Administration.

Dubois, a former manager of a mine exploration company, has been in charge of Nevada's mine enforcement and compliance activities since 1975.



PROGRESS REPORT of the Asian-American Free Labor Institute is discussed at the annual meeting of the AAFLI board of trustees. The report was presented by AAFLI Executive Director Morris Paladino, seated to the left of AFL-CIO President Lane Kirkland. AAFLI was created by the federation in 1968. It sponsors programs in a number of Asian countries designed to promote the development of free trade unionism.

Service Contract Act

Labor Hits New Move To Undermine Wages

(Continued from Page 1)

Donovan and at a press briefing by Labor Dept. Solicitor T. Timothy Ryan. Cutbacks in Davis-Bacon Act wage protections and weakened affirmative action obligations for federal contractors were outlined at the same time. The Labor Dept. is expected to issue its formal proposals by the end of June.

Among the changes being considered is one that would limit the prevailing wage protections to contracts that are "principally for services." This loose definition could strip protection from about half the workers now covered under the law's application to contracts that contain substantial portions of service work.

As an example, the committee said that a contractor who sells the government office machines and provides repair and maintenance service would become exempt from wage requirement for service workers since the principal purpose of the contract would be deemed sales rather than service.

THE ADMINISTRATION is also questioning whether to exempt whole classes of service contracts and industries including automated data processing and other "high technology" services, overhaul and modification, services associated with timber sales and removal, and research and development.

The committee charged that the proposals for these exemptions are a result of heavy industry pressure. It pointed out that a 1974 amendment to the Service Contract Act sharply limits the Secretary's authority to grant any exemptions from coverage.

Another proposed change, "two-stage bidding," has been strongly and successfully opposed by the AFL-CIO in the past, the committee noted.

The practice would permit the Labor Dept. to base wage determinations for some service contracts on scales from the lowest-paid areas of the country, undercutting the ability of contractors in areas with higher standards to compete.

AFL-CIO ECONOMIST John Zalusky, a member of the committee, described the tactic as a way to shift jobs from higher-wage states to areas where wages are traditionally low and union organization is sparse.

The committee also warned that the Labor Dept. would permit "reconfiguration" of contracts so as to undermine the successorship provisions of the law.

These now require that, when a government contract is relet, the wages and benefits negotiated with the previous contractor must be considered the prevailing standards. The Administration's proposals could allow minor rewriting of the contract terms so that it could be labelled "new work."

The Labor Dept.'s proposals "raise the spectre of union contracts being overturned by the government contracting process," Zalusky said.



THREAT TO FAIR WAGES is posed by Labor Dept. proposals to weaken the protections of the Service Contract Act requiring payment of prevailing wages for services performed for the government. Strategies to preserve strong compliance rules and enforcement of the law are discussed by the AFL-CIO's ad hoc Service Contract Committee.

Eula Bingham Finds Reagan Hazard to Workers' Health

The Reagan Administration is hazardous to the health and safety of America's workers, Eula Bingham charged at a labor issues seminar held at the George Meany Center for Labor Studies.

Bingham, who headed the Occupational Safety & Health Administration during the Carter Administration, told union members who had battled to enact job safety legislation that the Reagan appointees "are destroying your law."

SHE SAID withdrawal and rescinding of OSHA regulations "are bound to kill workers."

Responding to a question on cost-benefit tests for OSHA standards, Bingham challenged the assumption that a dollar value can be put on a worker's life or health. How does the "cash value" of a 21-year-old white male compare with that of a 62-year-old black woman, she asked.

If the federal government retreats from enforcement of the law, Bingham suggested, states and cities will have to move in to fill the gap, as some have already done on the labelling of toxic chemicals.

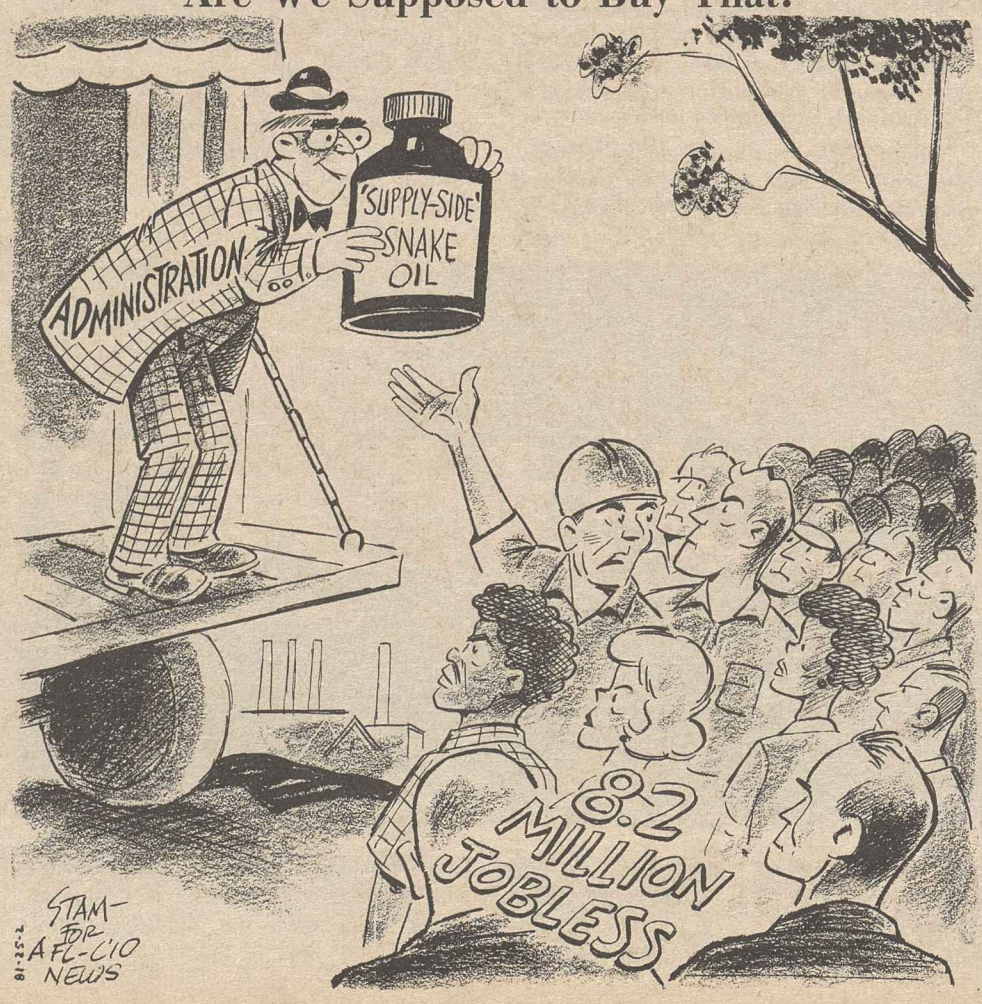
EVEN AFFECTED industries are now asking the Dept. of Labor "to have a second look" at its decision to withdraw a hazard-labeling standard, she told the Labor Studies Center audience. It may be, she said, that they realize that "it's not too cost-effective to have a different standard in every state and city across this land."

Bingham expressed concern that the new Administration's attitude toward job safety and health regulations is leading to an exodus of qualified professionals from OSHA who will be difficult to replace.

Bingham said, however, that she has been encouraged by the growing expertise of the trade union movement on occupational health and safety matters, and the increasing protection being written into union contracts.

Unions now have their own industrial hygienists, safety specialists and physician consultants, she noted, and that is making workplaces less hazardous.

'Are We Supposed to Buy That?'



Donovan Asked to Withdraw Industrial Homework Plan

All seven Democrats on the House Subcommittee on Labor Standards called on the Reagan Administration to withdraw its proposal to scrap federal sanctions against industrial homework in the apparel industry.

The subcommittee members warned in a letter to Labor Sec. Raymond J. Donovan that revocation of the 40-year-old ban on industrial homework would encourage wage-hour violations and inhibit the Labor Dept.'s ability to enforce the law.

NONE OF THE five Republican members of the panel signed the letter.

The letter urged Donovan to defer further consideration of administrative action until legislation on his proposed amendments to the Fair Labor Standards Act is developed.

"In that matter, we will be in a better position to prepare a coordinated legislative response to the serious problem of sweatshops with the cooperation of industry labor and others who share our mutual desires for strict enforcement of the law," the letter said.

IT POINTED OUT that both labor and industry representatives who testified at subcommittee hearings last month opposed lifting the ban, and that only Labor Dept. representatives favored the change.

Even so, "it is the opinion of federal and state enforcement personnel that abolition of the ban on industrial homework will exacerbate the horrible working standards of tens of thousands of garment workers," the panel's letter noted.

"No case was presented to the subcommittee which indicated that revocation would improve enforcement capability," the panel stressed. "Nor were your representatives at the hearing able to identify a single individual or organization which had either requested or supported the concept of eliminating the homework restriction."

CITING THE response of both labor and industry, as well as the Labor Dept.'s inability to specify any urgent basis to rush through the rule change, the panel said there is adequate reason to suspend further consideration of the proposal.

"With this controversial and divisive action deferred, we feel we will be in an improved situation to develop a mutually acceptable bill and a general enforcement strategy to support your department's effort to attack the scourge of sweatshops," the subcommittee members told Donovan.

The June 1 letter was signed by Representatives George Miller (Calif.), subcommittee chairman; Phillip Burton (Calif.), William Patchford (Conn.), Austin J. Murphy (Pa.), Pat Williams (Mont.), Dale E. Kildee (Mich.) and Carl Perkins (Ky.), chairman of the House Labor Committee.

The Labor Dept. recently extended to July 4 the comment period on the proposal to revoke the ban on homework.

Staffing, Funds Urged For Immigration Agency

The AFL-CIO has called for full restoration of 1,355 positions and $21.6 million for the Immigration & Naturalization Service that would be cut under Reagan budget proposals.

In a letter to Rep. Romano L. Mazzoli (D-Ky.), chairman of the House Judiciary subcommittee on immigration, Legislative Director Ray Denison observed that the elimination of positions and overtime of INS workers would only serve the cosmetic image of achieving savings in government.

"As we have in the past, the AFL-CIO urges that the funding and staffing of the INS be increased to the point where this government agency may perform its important mission of providing a system of orderly immigration to the United States, while protecting the American workforce from unfair competition of illegal foreign labor," Denison said.

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Real Earnings Continue Skid As CPI Rises

Inflation, as measured by the government's consumer price index, increased six-tenths of 1 percent in May, lowering workers' purchasing power by yet another notch.

The May CPI rise exceeded the increase of four-tenths of 1 percent recorded by the Bureau of Labor Statistics for April, and was the same as in March. On a year-to-year basis, the index still hovered at a near double-digit level, 9.8 percent.

THE EFFECT of the May price surge, which BLS attributed mainly to the soaring cost of home mortgages, was to force another decline in real spendable earnings over the month. Real spendable pay, or wages minus taxes adjusted for the impact of inflation, fell four-tenths of 1 percent in May and was down 2 percent from 12 months earlier.

BLS said that while the average earnings of all workers in the private, nonfarm sector last month were $253.10 a week in current dollars, a worker earning the average who had a non-working spouse and two children brought home "real" weekly pay of only $94.30 expressed in 1967 dollars, a 34-cent drop from the previous month.

The housing component of the CPI rose 1.3 percent in May, and accounted for over four-fifths of the entire monthly increase, BLS said. Home financing costs rose 3 percent, reflecting a 2.1-percent increase in mortgage interest rates and a 1 percent increase in house prices. Prices of fuels and utility charges were up eight-tenths of 1 percent, despite a decrease in fuel oil prices as charges for gas and electricity rose 1.5 percent.

FOOD PRICES dropped two-tenths of 1 percent, with grocery store prices falling five-tenths of 1 percent. Beef prices rose for the first time this year, however, increasing seven-tenths of 1 percent over the month. Prices for many fruits and other fresh produce declined sharply.

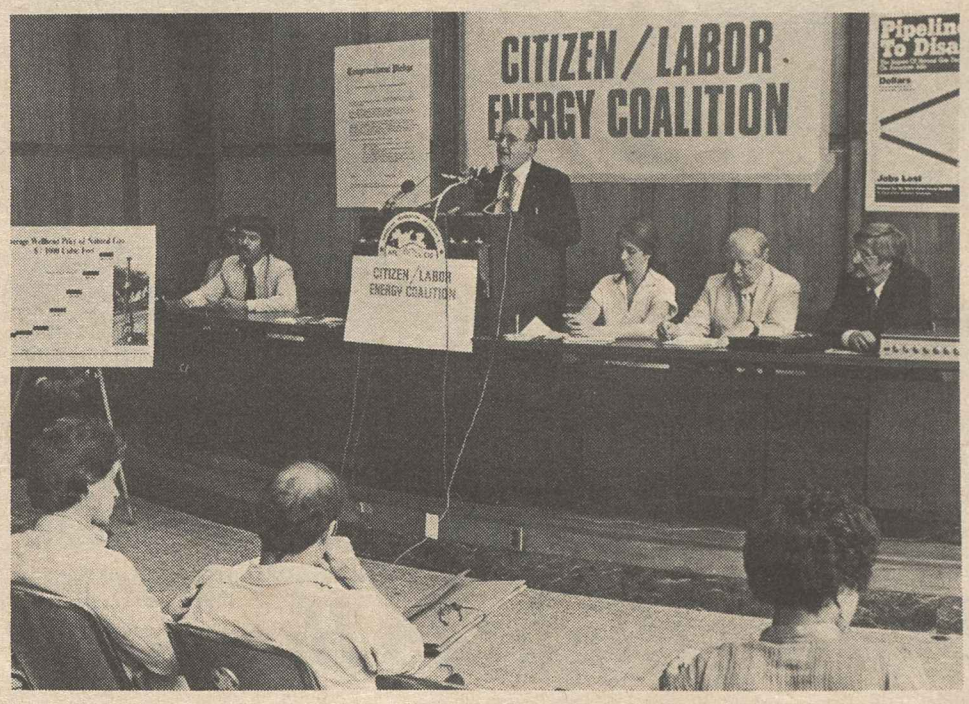
There are signs that food prices will not behave as well when the June price increases are reported. Sugar prices have begun to climb, and the Agriculture Dept. reports pork is likely to be in shorter supply later this year.

As in the past, the four basic budget items that affect most American families—food, housing, transportation, and medical care—have accounted for practically all of the nation's inflation over the past 12 months. Transportation charges are up 11.6 percent since May 1980, housing 10.1 percent, medical care 9.8 percent, and food 8.7 percent.

Transportation charges were up three-tenths of 1 percent, chiefly because of increases in new car prices and automobile financing charges. New car prices jumped 2.6 percent in May, while used car prices rose only two-tenths of 1 percent.

Health care costs were up seven-tenths of 1 percent, largely due to a sharp rise of 1.3 percent in medical care commodities. The cost of entertainment overall went up one-half a percent.

Labor Hits 'Giveaways' To Business in Tax Bill



CAMPAIGN TO BLOCK decontrol of natural gas prices is announced at a news conference in the AFL-CIO building by Machinists President William W. Winpisinger in his role as president of the Citizen/Labor Energy Coalition of some 200 organizations. A study warned of serious job losses from the sharp rise in utility bills and industrial costs that decontrol would bring.

Kirkland Cites Heavier Load For Workers

Corporate tax cuts tentatively approved by the House Ways & Means Committee would force America's workers to carry a bigger share of the nation's tax burden, AFL-CIO President Lane Kirkland protested.

Kirkland urged the committee to reconsider its decisions, which would cost the Treasury more than $180 billion in lost revenues over the next five years. New tax breaks for business, he said, should be linked to the goal of shoring up the nation's industrial base.

THE DEMOCRATIC majority on the Ways & Means Committee has been vying with the Reagan Administration to come up with the most generous package of tax reductions for business, with middle-income wage and salary earners the obvious losers in the competition. The "bipartisan giveaways" will come close to wiping out the corporation income tax entirely, Kirkland warned.

One committee action would drop the maximum corporation income tax rate from 46 percent to 34 percent over five years, which would lower the "effective" corporate rate from 29 percent to only 14 percent.

Combined with other committee-endorsed business tax cuts, Kirkland noted, the corporate share of the cost of government would fall to a mere 7 percent. That's a 70-percent drop from the 1970 ratio, he pointed out.

THE WAYS & MEANS Committee went a big step further than the Reagan Administration in liberalizing the depreciation tax writeoffs businesses can take on

(Continued on Page 8)

3.4 Million Jobs at Stake

Natural Gas Decontrol Labor, Coalition Battle

The AFL-CIO has joined with the Citizen/Labor Energy Coalition in a nationwide campaign to block decontrol of natural gas prices and avert a chain reaction of inflation and job losses.

Decontrol would double heating bills of households using natural gas, shift $260 billion from consumer spending to the profits of the oil and gas companies over the next four years, and wipe out some 3 million jobs, according to a study commissioned by the coalition.

MACHINISTS President William W. Winpisinger, who heads the 200-organization Energy Coalition, told a news conference that it will seek written pledges by members of Congress to oppose any attempt to repeal natural gas controls or speed up the existing timetable for gradual decontrol of "new" natural gas wells.

AFL-CIO Legislative Director Ray Denison said the federation will urge members of Congress to make such a pledge and will work with the coalition and allied senior citizen, farm and consumer groups "in a nationwide grass roots education and lobbying campaign to stop natural gas decontrol."

Decontrol would hurt every American household, undercut the competitive position of American industry, and inflict new hardships on moderate-income families dependent on natural gas. "There is no argument, save greed, for decontrol," Denison told the news conference.

WILLIAM HUTTON, executive director of the National Council of Senior Citizens and secretary-treasurer of the Energy Coalition, said NCSC's 4,000 local clubs will work with other coalition participants to get the message to members of Congress that "no one in your district will benefit from decontrol."

Last January, soon after taking office, President Reagan decontrolled oil and gasoline prices with an Executive Order. But lifting of controls on natural gas would require legislation and touch off a major battle in Congress.

Energy Sec. James B. Edwards has made clear the Administration is opposed to continued controls, and it is in anticipation of the congressional battle that the coalition has launched its campaign.

The study of the impact of decon-

(Continued on Page 7)

Senate GOP Blocks Move To Preserve Pension Floor

The Senate obediently went along with the Reagan Administration's insistence on wiping out the minimum social security benefit of $122 a month. But for a change, nearly all Democrats and a small handful of moderate Republicans stood up in opposition.

The 53-45 vote defeated an attempt by Sen. Donald Riegle (D-Mich.) to restore the minimum retirement benefit by amending the budget reconciliation bill—a package of nearly $40 billion in "savings" that are achieved by rewriting laws and cutting back programs.

RIEGLE SOUGHT to eliminate a $925-million budget cut that would be achieved by ending the existing guarantee that no one eligible for social security benefits would receive less than $122 a month.

If the House goes along with the Senate action, some 3 million persons would have their social security checks cut. A House Ways & Means Committee staff found that at least 86 percent of those whose income would be reduced are women, mostly elderly, including 500,000 over the age of 80. "Many of these elderly women have been living for years in or near poverty on their social security benefit, plus whatever savings or other small income they might have," the study found.

Forty-one Democrats and four Republicans voted to restore funds for the minimum benefit. But they were outvoted by a lineup of 48 Republicans and five Democrats.

(Continued on Page 6)

Maritime Unions Win Bargaining Gains for 45,000

Three maritime unions have negotiated new three-year agreements with U.S.-flag ship owners for more than 45,000 crew members on deep sea vessels.

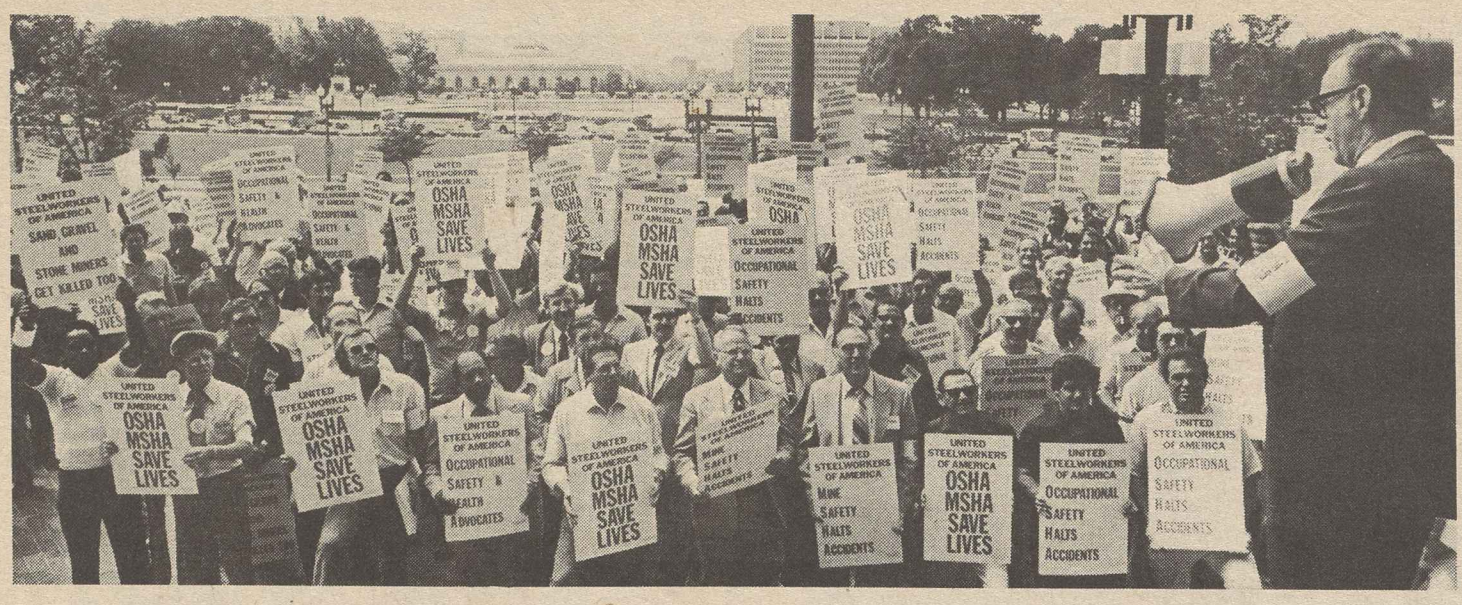
The settlements provide basic annual wage increases of 7.5 percent as well as three cost-of-living adjustments and marked improvements in pension benefits.

THE CONTRACTS, retroactive to June 16, cover 20,000 members of the National Maritime Union, 14,000 Seafarers and 11,000 active members and retirees of the Marine Engineers.

Members of both the SIU and NMU overwhelmingly ratified the agreements, the unions reported. MEBA said a ratification vote is pending.

The Masters, Mates & Pilots continued bargaining with the ship owners after extending old agreements for 30 days beyond the June 15 expiration date.

(Continued on Page 8)



STEELWORKERS' legislative conference delegates moved from the Labor Dept. to the Capitol to convey what USWA President Lloyd McBride termed a "sense of outrage" at the Reagan Administration's policies. Above, USWA Legislative Director John J. Sheehan uses a bullhorn to speak to delegates demonstrating at the Labor Dept. in support of OSHA, the Occupational Safety & Health Act, and MSHA, the law that covers mine safety and health. At right, McBride welcomes House Speaker Thomas P. O'Neill, Jr., who told the delegates that the Administration's economic program is "for the selfish, for the greedy and for the affluent." McBride said Congress must hear from constituents "the kind of anger" aroused by the attempt to slash social security.



Employment Goals Pushed Under CETA

The AFL-CIO reminded Congress of its full employment obligations and cautioned against "unrealistic" reliance on the private sector to provide jobs and training in a slow-growing economy.

Associate Legislative Director Robert McGlotten, testifying at Senate hearings on employment and training issues, urged a continued mix of programs under the Comprehensive Employment & Training Act (CETA) and other laws.

CETA HAS helped the disadvantaged develop basic skills needed to find and keep jobs, McGlotten noted. It has helped workers raise on-the-job skill levels, prepared minority youth for apprenticeship through labor-supported outreach programs, and provided public service jobs to take up the slack of recession unemployment, he pointed out.

"Full employment is essential to economic recovery and economic growth," McGlotten insisted.

It should be the goal of overall economic policy and of "direct, specific, targeted employment and training programs," he said. "Targeted jobs programs tailored to the specific needs of unemployed workers and to specific social needs are two to four times more effective in creating jobs than are generalized tax cuts," McGlotten testified.

HE STRESSED, however, that "employment and training programs should not be used to subsidize low-wage, substandard employers, to subsidize high labor turnover or jobs which do not require training, or to aid runaway industries."

The AFL-CIO strongly supports the concept of a "counter-cyclical jobs program" which would fund public service jobs when the unemployment rate is high, McGlotten said. And it supports funding of nationally-developed programs, such as the AFL-CIO's Human Resources Development Institute, as well as community programs operated by local governments or other non-profit "prime sponsors."

High Court Denies Right to Bargain Over Partial Business Shutdowns

The Supreme Court ruled that a company doesn't have to bargain with a union representing its workers before closing down a part of its business—provided that the shutdown is solely for economic or business reasons and not to "chill" unionism.

Its 7-2 decision rejected the position taken by the National Labor Relations Board in a case involving a company that provided maintenance services for a number of nursing homes. The NLRB position was that a partial shutdown clearly affected conditions of employment and therefore is a mandatory subject for collective bargaining until a genuine impasse is reached.

A BRIEF supporting the NLRB, filed jointly by the AFL-CIO and the UAW, had cited examples of union-management negotiations over a seemingly unavoidable economic shutdown that resulted in cooperative labor-management actions which reduced costs and preserved jobs.

The Supreme Court majority suggested that management would have an incentive to bargain voluntarily with the union where labor costs were a factor in a shutdown decision. But it insisted that the decision should rest with management alone since there might be situations where any delay in closing down would be costly or otherwise burdensome.

The court did reiterate that management remained obligated to bargain with a union over the effects of a shutdown. And it noted that federal labor law "prohibits partial closings motivated by anti-union animus." The NLRB "may inquire into the motivations behind a partial closing," the court said, and "an employer may not simply shut down part of its business and mask its desire to weaken and circumvent the union by labeling its decision 'purely economic.' "

A DISSENTING opinion by Justice William J. Brennan, Jr., joined by Thurgood Marshall, said mandatory bargaining might not be required in all cases of partial closings, but the NLRB was in a better position to judge the situation than the courts. The dissenters complained that the court majority had taken into account "only the interests of management" and had failed to consider "the legitimate interests of the workers and their union."

The Supreme Court also differed from the AFL-CIO position in a case testing the constitutionality of a Minnesota state fair regulation prohibiting sale or distribution of any "printed or written material" at the fairgrounds except at booths rented from state fair authorities.

The restriction had been challenged by the Krishna Society as an infringement of religious freedom, but an AFL-CIO brief focused on the free speech aspect, citing parallels with laws used to restrict distribution of union leaflets that had been held unconstitutional in earlier Supreme Court decisions.

THE AFL-CIO contended that the vast fairground with its network of roads and walkways was akin to a city. But the court, in an opinion by Justice Byron R. White, held that "there are significant differences between a street and the fairgrounds."

While the court was unanimous in allowing limitations on literature sales and fund solicitations, four justices would have allowed distribution of free copies of literature by persons moving about in the fairgrounds crowds.

Still another Supreme Court decision handed down on June 22 upheld the position taken by the Plumbers & Pipe Fitters as to federal jurisdiction over a suit by a local union against its parent organization based on the international union constitution.

THE CASE arose when the international union used its authority under the union constitution to compel a merger of a group of local unions after the locals involved had failed to reach a voluntary agreement. A New Jersey local sued in state court to block the merger.

The international union then acted to transfer the case to a federal district court, which upheld its position on several legal grounds. On appeal, the 3rd Circuit U.S. Court of Appeals nullified the district court's action and said the case should have been left for the state courts since the dispute would not have a "significant impact on labor-management relations or industrial peace."

In a 6-3 decision written by Justice Brennan, the Supreme Court rejected the appellate court interpretation and upheld the federal district court's jurisdiction over the case.

IN ANOTHER AREA of interest to labor, the Supreme Court agreed to decide whether employees of the Long Island Railroad, a commuter line, are covered by the no-strike provisions of New York State's Taylor Law or by the federal Railway Labor Act.

The state took over the railroad in 1966 and sought to block a 1979 strike by the United Transportation Union by invoking the Taylor Act.

A federal district court held that the union members had the right to strike under the Railway Labor Act since the railroad was a necessary link with other carriers in the movement of interstate freight.

THE 2ND CIRCUIT U.S. Court of Appeals ruled that the state law overrides the Railway Labor Act on the theory that the state interest in assuring passenger service for a large body of commuters is paramount. Arguments in the case will be heard in the fall.

By refusing to review another appellate decision, the Supreme Court gave the green light to a future court test of the "comparable worth" argument in a sex discrimination case involving the pay of men and women workers.

The Electrical, Radio & Machine Workers (IUE) had charged that Westinghouse violated the Civil Rights Act by paying women employees at its Trenton, N.J., plant less than men for jobs that under the company's own job evaluation required at least equal knowledge, training, skill and responsibility.

A federal district court dismissed the suit as outside the scope of the law. But the 3rd Circuit U.S. Court of Appeals sent the case back to be heard on its merits. The Equal Employment Opportunity Commission had supported the IUE position before the appellate court. The Supreme Court denial of review makes the appellate ruling final.

Cleveland Unions Undertake Study On Plant Closings

Cleveland—The Cleveland AFL-CIO has launched a survey among its local unions in an attempt to learn why factories are leaving the city or closing.

A questionnaire prepared by the central body has been sent to the locals querying them about closings, planned closings, proposed layoffs, shorter work weeks and the physical condition of factories.

Questions also deal with whether management has been keeping up with technological change.

IF THERE have been closings or runaway shops, the central body survey tries to determine if the reason given by the owners was one of 26. These include foreign competition, flight to "developing" countries, lack of city support, flight to Sunbelt, high taxes, lack of capital, wages and high energy cost.

The Cleveland AFL-CIO got involved when Mayor George V. Voinovich said he believed that labor officials and staff, who service the union members, might know more about the problem then anyone else in the city.

Central Body President Martin J. Hughes of the Communications Workers expressed the hope that the survey results will help labor deal more effectively with mounting economic problems afflicting older cities in the East and Midwest like Cleveland.

Executive Sec. Sebastian Lupica noted that there have been many plant closings in the city and we have suffered in membership loss and we must find new ways to deal with it, correct information is the starting point."

U.S. Workers Support ILO Attack on Apartheid, Government Abstains

Geneva—The AFL-CIO broke with the government members of the U.S. delegation by voting for a declaration by the International Labor Organization denouncing the "degrading, criminal and inhuman racial policies" of the South African government.

The declaration was adopted by the ILO's annual assembly without a dissenting vote, but the U.S. government was among the seven delegates abstaining. It expressed technical reservations on some of the action proposed in the fight against apartheid.

Speaking for the U.S. worker delegation, Patrick O'Farrell, executive director of the African-American Labor Center, assured the assembly that the U.S. worker vote in favor of the declaration, rather than the government's abstention, had expressed the "true feeling of the majority of the people of our country."

IN THE EARLIER discussion, O'Farrell had recalled that the AFL-CIO had its own policy, independent of the government's, in support of the black and other South African trade unions struggling against discrimination.

"We reject at this juncture the calls for armed struggle and for war as the only means of ending apartheid," he said. But if more drastic measures than those now contemplated should become necessary "we would be prepared to consider such measures at that time," O'Farrell said.

The AFL-CIO delegation also broke with the government by voting in favor of an ILO budget for the two years 1982-83 of $230 million, a 5.1 percent increase over the preceding two years.

Gerd Muhr, West German chairman of the worker delegates, expressed the satisfaction of the group at the importance given in the budget to the ILO's work in favor of labor standards and human rights.

WHILE RECOGNIZING the ILO's effort to economize, the U.S. government delegates abstained in the vote approving the budget to underscore the Reagan Administration's clampdown on expenditures.

The 34 votes against the budget were all cast by the Soviet bloc to protest what it claimed to be a failure to take into account its program proposals.

However, Poland's Solidarity trade union delegation showed its independence by casting the only Eastern European vote in favor of the budget.

In a major address to the assembly, AFL-CIO International Rep. Irving Brown warned that the job and social standards established by the ILO must not be sidetracked in the effort to speed tht development of the world's poorer countries.

"Economic growth is not the whole story of development," Brown stressed in his address to the 1,800 worker, government and employer delegates and their advisers. "Economic development," he continued, "must provide for the satisfaction of the economic and social needs of man."

Brown, as the U.S. worker delegate to the ILO, heads an AFL-CIO team that was reinforced in the course of the three-week session by the arrival of Federation President Lane Kirkland and UAW President Douglas A. Fraser.

Noting that the need to assist Third World development is now a major preoccupation of all international organizations, Brown called on the ILO to insure that its standards for bettering the life of workers are applied in all "international actions and programs."

"The promotion of standards is the major job of the ILO," he said.

BROWN RECALLED the AFL-CIO's "constant concern for the disabled" in connection with the UN decision to focus world attention this year on the problems of the handicapped.

ILO Director Gen. Francis Blanchard underscored in his report to the conference the AFL-CIO's "well-defined policy" in favor of the disabled.

Brown stressed that this policy for "bringing disabled workers into the world of productive employment is also part of the struggle against discrimination in employment."

He noted that a London newspaper recently reported that a founder of a movement in the Soviet Union in defense of the handicapped had been threatened with internment in a mental hospital as a dissident.

"It is this kind of treatment that must be exposed and eliminated," Brown said as he expressed satisfaction that the 1983 ILO session will examine ways to insure that the handicapped hold their rightful place in society.

AS IT NEARED the final week of the session, the assembly also adopted, despite some government and employer hesitation, an international standard by which governments are called upon to "encourage and promote the development of collective bargaining."

Robert Wholey of the Asian-American Free Labor Institute was the member of the AFL-CIO delegation who helped draft the convention that makes action mandatory for governments that ratify it.

The convention stipulates that trade unions and employer groups should first be consulted and their agreement sought before any measures are taken.



IN GENEVA, at the International Labor Organization's assembly, Auto Workers President Douglas A. Fraser and AFL-CIO President Lane Kirkland bolstered the U.S. worker delegation during discussion and debate on standards and issues affecting workers throughout the world.

Key Interest Rate Edges Up, New Housing Starts Plummet

Two major New York banks raised their prime lending rates to 20 percent, making that the prevailing rate among the nation's largest banks despite an easing in the money supply.

The actions by Chemical Bank and Citibank reversed declines posted by the two banks a week earlier. Chemical had lowered its prime, or base, rate on corporate loans to 19 percent on June 15. The following day, Citibank cut its prime rate to 19.5 percent. A similar move to the 20 percent level was made June 19 by Bankers Trust & Marine Midland, which with Citibank had lowered its prime to 19.5 percent.

MEANWHILE, the Federal Reserve Board reported a modest increase in the nation's money supply after three weeks of decline, which normally would signal lower interest rates. But the federal funds rate, which banks charge one another for loans, has remained high, and analysts say that interest rates will not decline until it eases substantially.

The prime lending rate generally tends to influence other short-term lending rates, including consumer rates such as those charged for home mortgages.

Higher interest rates have been largely responsible for the growing sluggishness in the economy, which both Administration and private analysts expect to show little growth during the current and third quarters of the year.

HOUSING STARTS plummeted 14 percent last month to the lowest level since the depths of the housing depression one year ago, the Commerce Dept. reported. The falloff was due in large part to high mortgage rates averaging 16 percent across the country.

New home construction in May declined to a seasonally adjusted annual rate of 1.15 million units, the lowest level since the 938,000 starts a year earlier. The May decrease was the first and the largest since February, when starts plunged 26.8 percent.

The issuance of building permits, a sign of future housing construction, fell a slight three-tenths of 1 percent to a seasonally adjusted annual rate of 1.82 million units. The level was 37 percent above the very low rate of 864,000 permits in May 1980.

OTHER GOVERNMENT reports revealed equally poor performance in other sectors of the economy. Output of the nation's factories, mines, and utilities increased a modest three-tenths of 1 percent in May, the Federal Reserve Board reported. The board said the increase was concentrated in the production of motor vehicles and parts.

Autos were assembled at an annual rate of 7.3 million units last month, up from a 6.8-million unit rate in April. But this reflected a buildup of inventories in anticipation of plant closings in the summer. Another factor was the introduction of the new General Motors "J" cars.

Factory output increased four-tenths of 1 percent following similar rises in April and March. But output of construction supplies continued downward for the second month dropping seven-tenths of 1 percent. Output of business and defense equipment continued to expand, and materials output increased three-tenths of 1 percent.

SEPARATELY, the Fed reported that the nation's factories operated at 80.1 percent of capacity in May, up a slight one-tenth of 1 percent from April.

In another government report, the Commerce Dept. said that Americans' personal income increased a slight six-tenths of 1 percent in May, barely enough to cover the current rate of inflation. It was the same percentage increase as in April.

Reagan Fills NLRB Posts, Designates New Chairman

President Reagan has named a management consultant and the chief counsel of the Senate Labor & Human Resources Committee to fill the two vacancies on the National Labor Relations Board.

Reagan announced he will nominate John R. Van de Water to serve the remainder of the term expiring on Aug. 27, 1981, from which John A. Penello resigned on Jan. 14, and for the ensuing five-year term expiring in 1986. The president said he would also designate Van de Water to replace John H. Fanning, a Democrat, as chairman of the NLRB. Fanning, whose term expires in December 1982, would continue as a member of the board.

TO FILL THE second vacancy, held until last Jan. 26 by John C. Truesdale under an interim appointment, Reagan named Robert P. Hunter, 41, who currently is chief counsel and chief of staff for the Senate Labor & Human Resources Committee.

The AFL-CIO is checking with those familiar with Van de Water's work in order to analyze his record on labor-management issues. Similarly, while the federation is familiar with Hunter's record on Capitol Hill, his writings on labor-management issues are being studied.

Before the Republicans took control of the Senate this year, Hunter had served as counsel to minority members of the committee, including the present chairman, Sen. Orrin Hatch (R-Utah). He previously had been an attorney with NLRB regional offices in Buffalo and Cincinnati.

Van de Water, 64, has headed his own management consulting firm, Van de Water Associates, since 1949. He also is executive vice president of Promanent International Inc., which specializes in audio-visual materials for management development programs.

HE HAS served as a management representative for both the Ford Motor Co. and North American Aviation, Inc., and has served on the Labor Relations Committee of the U.S. Chamber of Commerce. Van de Water also has been on the management and industrial relations faculties of both UCLA and the University of Southern California.

Both nominations require Senate confirmation.

The remaining members of the board are Howard Jenkins, Jr., and Don A. Zimmerman.

Comeaux Appointed To Region IV Post

Robert L. Comeaux, an international representative with the Food & Commercial Workers, has been appointed assistant director of AFL-CIO Region IV effective July 6.

Comeaux had been coordinator of the UFCW's national boycott against Winn-Dixie, which led to an agreement with the southern supermarket chain a year ago. He also has served on the staffs of the UFCW Texas district council and UFCW Local 455 in Houston since 1972.

Region IV, based in Arlington, Tex., covers the states of Colorado, Louisiana, New Mexico and Texas. Nicholas Kurko is director.

The Natural Gas Grab

THE AFL-CIO opposes the decontrol of natural gas prices.

Decontrol of natural gas will hurt all American workers and their families by stealing from their paychecks through inflation, and by robbing millions of Americans of their jobs. The massive increase in prices for natural gas will cost an estimated 3.4 million Americans their jobs by 1985 as the result of price acceleration of products and services to a point where they can no longer be afforded.

The increased production costs in such key industries as chemicals, food processing, textile and clothing manufacture, steel and other primary metals, fabricated metal products, and transportation equipment will undercut the competitive position of American industries and cost more American workers their jobs.

DECONTROL WILL inflict severe hardships on low-income and middle-income families who heat their homes with natural gas. The poor and senior citizens are already paying as much as 35 to 50 percent of their incomes for energy and cannot afford gas bills double or triple what they now pay.

There is no argument, save greed, for decontrol.

Decontrol will not increase incentives to explore for new natural gas supplies. Instead, decontrol will allow the oil companies to take windfall profits on natural gas discovered years ago. At the same time, decontrol will destroy the special price incentives for new and hard-to-find gas which were put in place by the Natural Gas Policy Act.

The natural gas decontrol issue is of critical importance to the AFL-CIO's 13 million members, and to consumers across the nation. The corrosive effects of natural gas decontrol on inflation, unemployment and falling standards of living are enormous and have a heavy impact on the stability of America's collective bargaining process.

THESE ADVERSE effects far outweigh any monetary advantage that might come from individual and business tax cuts now being proposed in the Congress. While we think these tax cuts need to be redirected and are an unconscionable run on the U.S. Treasury, it would be doubly cruel and cynical for the Administration to allow the oil companies to take away from American workers and businesses more than has been promised in the proposed tax cuts.

The AFL-CIO will work with the Citizen/Labor Energy Coalition, senior citizens, farmers, and consumer groups in a nationwide grass roots education and lobbying campaign to stop natural gas decontrol.

We urge members of Congress to pledge their opposition to accelerated or total decontrol of natural gas prices.

—Statement by AFL-CIO Legislative Director Ray Denison at news conference sponsored by Citizen/Labor Energy Coalition, June 24, 1981, Washington, D.C.

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'It's Enough to Make Me Sick!'



Hidden Giveaways

'Tax Expenditures' a Program Of Relief for the Truly Wealthy

By Gus Tyler

TAX EXPENDITURES. Everytime I use that expression in one of these columns I get letters—even phone calls—from readers asking, "what are tax expenditures?" Occasionally, I am even charged with a misprint. How can you have a "tax," which is money you take in, called an "expenditure," which is money you pay out?

The answer is that a "tax expenditure" is money you pay out when you collect the tax: that's why it's called a "tax expenditure." Tricky, eh? Yes, it is.

SOMEDAY somebody ought to popularize another name for these self-contradictory items in our national budget and tax system. I would call them the "hidden giveaways."

They are "giveaways" from Uncle Sam to special interest groups in America. Certain individuals and certain institutions, the largest being the biggest corporations, are "given" tax breaks. Taxes that they would normally pay, they do not pay, because somebody wrote an obscure item into the tax code or because some bureaucrat or court made some interpretation of some item in the law that makes it legal to pay less or pay nothing, if you are one of these favored parties.

This kind of "giveaway" is hidden, unlike other "giveaways" that are out in the open. If Uncle Same gives food stamps to a poor family, that "expenditure" is on the record. But when Uncle Sam gives away $300 billion in tax expenditures in any one year—as he will this year—that does not appear on the books as an expense. It is "hidden."

YES, THE SUM is roughly $300 billion. If "tax expenditures" were included in our budget —as food stamps, school lunches, defense expenditures, or scholarship loans are—then "tax expenditures" would be the single biggest item in the budget. It is also the most rapidly growing.

But we hear no caterwauling, complaining, and crying about this "expenditure," alongside of which outlays for the poor are petty peanuts.

Here we are in the midst of an emotional debate on the budget. Everybody is at everybody else's throat to have or to hold a piece of the pie. Yet, nobody talks about that biggest single chunk of the pie—tax expenditures—because it is hidden.

Soon we will be deep in the debate over taxes. How do we raise enough money to pay our bills? Meanwhile, Uncle Sam will be losing $300 billion in income this year through "tax expenditures" that will be larger this year than ever.

I'M NOT SAYING that Uncle Sam should not excuse some people or some companies from paying some taxes—if that is in the national interest. But why not do it in the open? Let's tax and then let us—by public action recorded on the books—give back some of that tax money to persons or corporations if we want to.

Then, at least, we would know who is really "on relief." We will discover, at long last, that the biggest receivers of relief are not the poorest, but the rest of us, especially the richest.

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Labor Welcomes Challenge to Role

These are trying times for us today in many respects. But what we in the American labor movement face and have faced for years is not a passing period of acute crisis. Rather we face a permanent challenge to our basic role in American life.

We are, by the nature of our duties, continually subject to attack from many quarters. Our warts are magnified and distorted, and all of our weaknesses are continually probed and exploited when found. We are exposed to more searching and critical scrutiny and are held to a higher standard of ethics and performance than any other element of our society.

We do not complain of that, nor do we, in fact, wish it were any other way. It's what we all signed on for. We welcome that challenge.

The fact is that we, as trade unionists, do aspire to far higher goals and more selfless purposes than any other element of human society. The challenge is great. It will be with us for a long time, but our common burden will be made all the lighter to the extent that we all shoulder it together.

—AFL-CIO President Lane Kirkland at federation's regional conference in New Orleans, June 6, 1981.

Supreme Court Decision

OSHA Puts Preeminent Value On Safe, Healthful Workplace

The following is excerpted from the Supreme Court decision upholding the Occupational Safety & Health Administration's cotton dust standard. The majority decision, written by Justice William J. Brennan, Jr., held that OSHA is not required to conduct cost-benefit studies in developing safety and health standards.

CONGRESS ENACTED the Occupational Safety & Health Act of 1970 "to assure so far as possible every working man and woman in the nation safe and healthful working conditions." The act authorizes the Secretary of Labor to establish, after notice and opportunity to comment, mandatory nationwide standards governing health and safety in the workplace.

In 1978, the Secretary, acting through the Occupational Safety & Health Administration (OSHA), promulgated a standard limiting occupational exposure to cotton dust, an airborne particle byproduct of the preparation and manufacture of cotton products, exposure to which induces a "constellation of respiratory effects" known as "byssinosis."

Byssinosis, known in its more severe manifestations as "brown lung" disease, is a serious and potentially disabling respiratory disease primarily caused by the inhalation of cotton dust.

ESTIMATES INDICATE that at least 35,000 employed and retired cotton mill workers, or one in 12 such workers, suffers from the most disabling form of byssinosis. The Senate report accompanying the act cited estimates that 100,000 active and retired workers suffer from some grade of the disease. One study found that over 25 percent of a sample of active cotton preparation and yarn manufacturing workers suffer at least some form of the disease at a dust exposure level common prior to adoption of the current standard.

Petitioners representing the interests of the cotton industry, challenged the validity of the "Cotton Dust Standard" in the Court of Appeals for the District of Columbia Circuit. They contend that the act requires OSHA to demonstrate that its standard reflects a reasonable relationship between the costs and benefits associated with the standard.

Respondents, the Secretary of Labor and two (sic) labor organizations [the AFL-CIO, the Industrial Union Dept. and the Clothing & Textile Workers] counter that Congress balanced the costs and benefits in the act itself, and that the act should therefore be construed not to require OSHA to do so.

THEY INTERPRET the act as mandating that OSHA enact the most protective standard possible to eliminate a significant risk of material health impairment, subject to the constraints of economic and technological feasibility. The Court of Appeals held that the act did not require OSHA to compare costs and benefits.

To resolve this debate, we must turn to the language, structure, and legislative history of the act. The starting point of our analysis is the language of the statute itself. Section 6(b)(5) of the act provides:

"The Secretary, in promulgating standards dealing with toxic materials or harmful physical agents under this subsection, shall set the standard which most adequately assures, to the extent feasible, on the basis of the best available evidence, that no employee will suffer material impairment of health or functional capacity even if such employee has regular exposure to the hazard dealt with by such standard for the period of his working life."

Although their interpretations differ, all parties agree that the phrase "to the extent feasible" contains the critical language for purposes of this case.

THE PLAIN MEANING of the word "feasible" supports respondents' interpretation of the statute. According to Webster's Dictionary "feasible" means "capable of being done. . . ."

Thus, the act directs the Secretary to issue the standard that "most adequately assures . . . that no employee will suffer material impairment of health," limited only by the extent to which this is "capable of being done."

In effect then, as the Court of Appeals held, Congress itself defined the basic relationship between costs and benefits, by placing the "benefit" of workers health above all other considerations save those making attainment of this "benefit" unachievable.

ANY STANDARD based on a balancing of costs and benefits by the Secretary that strikes a different balance than that struck by Congress would be inconsistent with the command set forth in the act. Thus, cost-benefit analysis by OSHA is not required by the statute because feasibility analysis is.

The legislative history of the act, while concededly not crystal clear, provides general support for respondents interpretation. The congressional reports and debates certainly confirm that Congress meant "feasible" and nothing else in using that term. Congress was concerned that the act might be thought to require achievement of absolute safety, an impossible standard, and therefore insisted that health and safety goals be capable of economic and technological accomplishment.

PERHAPS MOST TELLING is the absence of any indication whatsoever that Congress intended OSHA to conduct its own cost-benefit analysis before promulgating a toxic material or harmful physical agent standard. The legislative history demonstrates conclusively that Congress was fully aware that the act would impose real and substantial costs of compliance on industry, and believed that such costs were part of the cost of doing business.

When Congress passed the act in 1970, it chose to place preeminent value on assuring employees a safe and healthful working environment, limited only by the feasibility of achieving such an environment. We must measure the validity of the Secretary's actions against the requirements of that act.

Smaller Share for Business

Tax Cut Proposals Would Add To Heavy Burden on Workers

THE SHARP BUSINESS tax cuts shaped by the House Ways & Means Committee would shift more than one-third of the total corporate tax share to the already heavy burden carried by workers, AFL-CIO Research Director Rudy Oswald charged in a network radio interview.

Pointing out that under current law, corporations pay only 11 percent of the total tax bill, Oswald said that "the Democrats have outdone the Republicans" by allowing even faster depreciation and business expense writeoffs than the Administration had proposed. He said that as a result, the corporate share of total taxes would be slashed to less than 7 percent.

"Somebody else has to pay those taxes—they're not going to disappear—and that somebody else is going to be the workers of America," he asserted on Labor News Conference, broadcast weekly by the Mutual radio network.

OSWALD SAID the business tax cuts proposed by the Ways & Means Committee would largely benefit the biggest and wealthiest corporations, but would do little or nothing to help the new and struggling companies that most need relief. He said the specifically targeted business tax reductions urged by the AFL-CIO would provide the kind of help that the hardest-hit industries and areas of the country need.

That kind of plan, he pointed out, "would not provide windfalls to large corporations . . . would not shift the tax burden onto individual taxpayers," but would help lagging industries rebuilt their strength and compete effectively.

Washington Window

By Press Associates, Inc.

FREE AND EQUAL public education was one of the basic demands of working people 150 years ago. Today, the public school system remains one of labor's—and democracy's—greatest achievements.

As almost every parent and neighborhood knows, the public school again is being forced to adapt under the pressures of declining enrollment, tight budgets and population shifts.

As if public education systems did not have enough problems to deal with, the revival of the tuition tax credit proposals in Congress poses a direct and very dangerous threat to the aspirations of millions of people. For the tuition tax credit would finance private schools to the disadvantage of public schools, shift aid from working class families to the rich and create a caste-like system of education.

The public schools have survived through the upheavals of the Depression, World War II, the civil rights revolution, the baby boom and slump, and population shifts.

THE PUBLIC SCHOOLS may not survive the tuition tax credit, which would provide up to $500 a year for each child in a private college, vocational, elementary or secondary school. The eventual cost would be $4.7 billion a year and the money probably would be shifted from public schools in need to high-income families.

Chairman Robert Dole (R-Kan.) of the Senate Finance Committee stated the "thorny issues" fairly when hearings opened in early June on the tax credit and whether it might become part of the second tax bill later this year.

Because about 85 percent of the private elementary and secondary schools are religiously affiliated, there is the argument that tuition payments violate the First Amendment ban on establishment of religion. Others argue that tax credits would drain brighter students from public to private schools.

Others, Dole said, argue that in a time of fiscal restraint, it is hardly the time to cut federal aid to public education while granting a tax subsidy to parents of private schoolchildren.

ON THE OTHER side, Dole added, proponents argue that education is best served by the diversity of educational philosophies and institutions found in healthy private and parochial schools.

Grace Baisinger, a past president of the National PTA, testified as chairperson of the labor-backed National Coalition for Public Education. She said tax credits would be "bad economic policy, bad education policy and bad public policy."

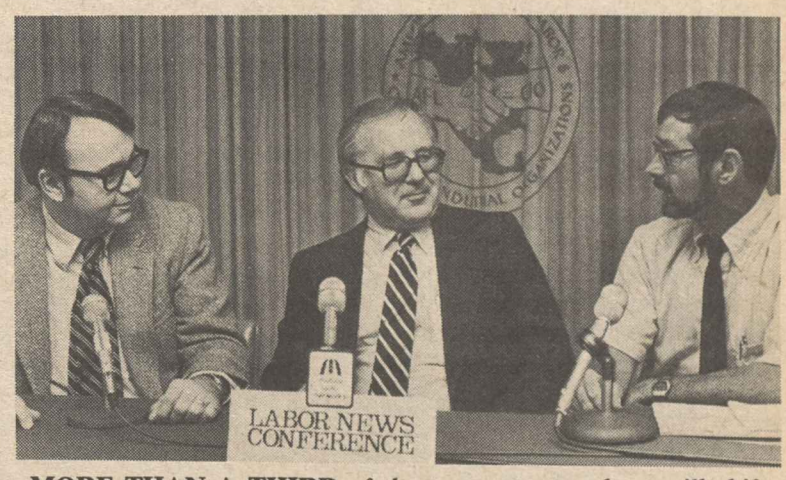
Nancy Neuman of the League of Women Voters cited findings by sociologist James Coleman that families with incomes above $38,000 a year are more than four times as likely to send their kids to private schools than families with incomes under $7,000. Tax credits would lead toward an "educational caste system," she asserted.

Neuman also observed that "segregation academies" would be aided by such tax credits and quality integrated education would be undermined.

WHEN A LABOR panel made up of the AFL-CIO, the American Federation of Teachers and the National Education Association testified, tuition tax credit sponsor Sen. Daniel Patrick Moynihan (D-N.Y.) lost his temper.

It was a performance unworthy of a senator from a liberal state. Moynihan browbeat the witnesses and, in a statement carried on national TV, charged that the witnesses "dragged slime into this hearing room." In fact, the labor testimony was similar or identical to that of others opposing the bill.

Moynihan's intemperate remarks recalled the old rule of trial lawyers. If the facts are on your side, argue the facts; if the law is on your side, argue the law; if you have neither the facts nor the law on your side, yell like hell.



MORE THAN A THIRD of the corporate tax share will shift to the already heavy burden carried by workers if sharp business tax cuts shaped by the House Ways & Means Committee are adopted, AFL-CIO Research Director Rudy Oswald, center, charged. He was questioned on Labor News Conference by Frank Swoboda, left, of the Washington Post and Robert Cooney of Press Associates, Inc. The AFL-CIO produced public affairs program is aired weekly on the Mutual radio network.

Union Contracts Prove Value to Workers, Nation

The union contract produced by collective bargaining represents a solid investment for both workers and the nation, union economists Markley Roberts and William Bittle point out in the American Federationist.

Unionized workers not only earn more than non-union workers in similar occupations and industries but also are more productive than their non-union counterparts, they note.

The article in the AFL-CIO monthly magazine cites abundant evidence that unionization raises productivity to such a point that unionized employers can better afford to give higher pay and more fringe benefits to their workers.

"TAKEN TOGETHER, higher earnings and higher productivity provide a sound basis for a growing, expanding U.S. economy with widely dispersed and rising mass consumer buying power and high-volume, cost-cutting mass production of the goods and services America's people need and want for a rising standard of living," the authors observe. Roberts is an economist for the AFL-CIO Dept. of Economic Research and Bittle for the Machinists.

No single study or statistical series gives the full story on relative wages of similarly situated workers on the basis of whether they are covered by a collective bargaining agreement, they note. Yet, the available information adds up to an overwhelming case for the wage advantage of unionized workers.

The most recent Bureau of Labor Statistics report on "earnings and other characteristics of organized workers," based on a May 1977 survey, found that unionized blue-collar workers had usual weekly earnings averaging $266, or $72 higher than non-union, blue-collar workers' earnings.

Unionized service workers had usual weekly earnings averaging $212 a week, compared to the $135 a week earnings of non-union service workers.

ON AN INDUSTRY basis, the overall union advantage was 19 percent—$262 average weekly earnings for unionized workers compared to $221 for non-union workers. The biggest union differential was 49 percent for workers in the construction industry.

More evidence is cited in unpublished BLS data from the May 1978 Current Population Survey which add industry, occupation and geographic details to the general union/non-union pay picture. Earnings by occupation of workers paid on an hourly basis showed a big differential in favor of union workers over non-union workers.

Unionized blue-collar workers made 58 percent more than non-union blue-collar workers, the data show. Unionized white-collar workers made 51 percent more than their non-union counterparts and unionized service workers held a 62-percent differential.

ON A REGIONAL basis, earnings of unionized hourly paid workers exceeded non-union earnings in every U.S. region, with the highest differential, 81 percent, in the Rocky Mountain states, and the lowest, 46 percent, in the New England states. For the nation as a whole, as in the industry and occupation breakdown, the union advantage in pay was 66 percent.

Union workers also do better than non-union workers with respect to fringe benefits, Roberts and Bittle observe. Unpublished BLS data collected for a 1980 report on "employee compensation in the private, non-farm economy" show that the $2.75 value of total benefits on an hourly basis for unionized workers exceeded the $1.13 value of total benefits for non-union workers by 143 percent. On an annual basis, the fringe benefit advantage for union workers was $3,300.

UNIONS MAKE an important contribution to the efficient utilization of human capital, too, the authors point out, adding that more and more studies are now showing that union workers are much more productive than their non-union counterparts.

One significant study, "Trade Unions in the Production Process" by Charles Brown of the University of Maryland and James Medoff of Harvard University, in the 1978 Journal of Political Economy, found unionized establishments about 22 percent more productive than non-union establishments — and union productivity advantage could even be as high as 30 percent.

Brown and Medoff give several reasons why unionized firms are more productive, with labor turnover among the principal factors.

"Unionized workers have lower turnover rates than do otherwise comparable workers in the non-union portion of the industry," they observe.

"HIGH TURNOVER can reduce productivity of a workforce through both a reduction of investment and a loss of firm specific training, interference with the functioning of a work group and the costs (e.g., personnel) of securing the requisite amount of labor."

The authors also say that the seniority system put in place by the union can raise productivity: ". . . Seniority can greatly weaken the feeling of rivalry among workers. This can increase the amount of informal training and assistance that workers are willing to provide others."

In light of the accumulating evidence that unionized workers produce more as well as earn more than non-union workers, Roberts and Bittle sum up, employers and American society in general should take a much more positive approach to unionism and collective bargaining.

Senate GOP Blocks Move To Preserve Pension Floor

(Continued from Page 1)

The outcome was described by National Council of Senior Citizens President Jacob Clayman as "vicious and cruel treatment of older people by the Administration and by all those in the Senate who supported the Administration proposal."

Another Democratic-sponsored attempt at fund restoration was beaten by an almost identical 52-46 vote, even though the amount of money involved is much smaller. It came on a motion to add $80 million to avoid cuts in federal funds for foster care and adoptive services. The Senate reconciliation bill would lump funding in with other programs as "block grants" to states and cut the total amount 25 percent.

The block grant issue is one of the most important the House was to deal with as it took up a Democratic-crafted version of the reconciliation bill.

CUTS IN THE House bill were almost as horrendous as the Senate version in terms of labor's concerns, but the differences were significant enough that the AFL-CIO legislative staff was actively lobbying against changes sought by the Administration.

The further spending cuts Republicans were trying to add to the reconciliation bill through a substitute bill would affect student loans, child nutrition, social security, family welfare, housing, food stamps and federal employee retirement.

In a letter to House members, AFL-CIO Legislative Director Ray Denison termed the GOP proposals "unmerited and unnecessary" to stay within the budget ceilings.

HE URGED especially rejection of a Republican attempt to wipe out a number of separate programs and lump them with reduced funding into block grants for the states to spend as they wish.

"Passage of block grants is the beginning of a very short road to the total elimination of federal funding for these essential and comprehensive education, health, energy, social service and community development programs."

The House and Senate were both scheduled to complete action on budget reconciliation before recessing until after the Fourth of July weekend. Differences between the two measures must then be resolved in a House-Senate conference.

MOST ATTENTION in the House focused on the political battle being waged by the White House to repeat President Reagan's victory on the original budget resolution, when a large body of conservative Democrats broke with the party leadership.

House Republicans, supported by 31 conservative Democrats, won a first-round victory on the budget reconciliation bill. On a 217-210 procedural vote, they won the right to package their amendments into a single substitute bill that would be easier to pass than a series of amendments. The vote was a political victory for President Reagan but the narrow margin showed a slippage in the conservative coalition strength.

Labor Film, Art Programs Slated For Smithsonian

A labor film festival and a major art exhibit sponsored by two AFL-CIO unions and the Smithsonian Institution will be feature attractions in Washington, D.C., during July and August.

The film festival, developed by the Service Employees, will run July 18 to Aug. 17. It will include the public premiere of the AFL-CIO's film, "A Time of Challenge," produced as part of the federation's celebration of the centennial of organized labor in America.

THE SMITHSONIAN also will host from July 16 to Aug. 21 "Images of Labor," an exhibit of 32 original works of art commissioned as part of the Bread & Roses cultural project of the Retail, Wholesale & Dept. Store Union's District 1199.

SEIU's festival will include among its 24 offerings classic labor films and four new productions by the Steelworkers, Machinists, Auto Workers and District 1199. Films will be shown free at the Smithsonian's Museum of American History.

The same museum will house the art exhibit which includes paintings and sculpture by major American artists, each based on a quotation about the lives of working people. The Washington show is the first leg of a two-year national tour of the exhibit conducted under the auspices of the Smithsonian.

A schedule of the titles and screening dates of the films is available from Lyn Goldfarb, SEIU, 2020 K St., N.W., Washington, D.C. 20006.

Social Security COLA Due in July Checks

The social security checks for some 36 million beneficiaries will be 11.2 percent higher in July, when a 12-month cost-of-living adjustment is put into effect.

The average monthly payment of $337 will rise to $374, reflecting the rise in the consumer price index from the first quarter of 1980 to the same period in 1981. Persons receiving railroad retirement benefits will get comparable increases.

The percentage raise will also go to some 4 million low-income recipients receiving Supplemental Security Income (SSI) payments, which are made out of general treasury revenues and not the social security trust funds. The maximum SSI payment for an individual will go to $264.70.

All increases will show up on checks that normally are delivered on July 3.

AFL-CIO Calls for Bar to Commodity 'Tax Straddles'

Congress should take the profit out of a billion-dollar tax avoidance scheme instead of "slashing programs in the name of budget balancing," the AFL-CIO said.

The federation strongly endorsed a bill being considered by two Senate Finance subcommittees that would close the "tax straddle" loophole used by wealthy investors and corporations to generate artificial losses for tax purposes from commodity transactions that have very little economic risk.

Such straddles usually involve contracts for future purchases and sales of commodities. By holding buy and sell contracts of equal amounts for different delivery dates, speculators can take advantage of market movements to show paper losses while deferring taxes on actual gains.

ENDING THIS tax avoidance scheme, the AFL-CIO noted, would bring in an additional $1.3 billion in revenues in 1982.

At a time when tax policy should be used to promote economic growth and generate employment opportunities, "Congress can ill afford to ignore a tax shelter gimmick that serves to drive up the price of commodities, adds to the deficit and serves absolutely no economic purpose," the federation declared.

Oil Workers Put Job Security High On Contract List

Denver—Guarantees against layoffs and plant closings are high on the list of priorities outlined by the Oil, Chemical & Atomic Workers for coming negotiations with the oil industry.

The collective bargaining goals drafted by the union's 12-member National Bargaining Policy Committee also call for a two-year contract providing substantial wage improvements and employer contributions to a supplemental pension plan.

CURRENT OCAW agreements with the industry covering about 55,000 oil and petrochemical workers will expire next Jan. 7.

OCAW President Robert F. Goss, who chairs the committee, reported that the eight specific proposals will be presented to the companies in November after they are ratified by the union's oil industry bargaining units.

The committee's concerns for job security were prompted by impending shutdowns of plants and refineries that employ OCAW members. Current agreements provide for a six-month notice by the employer prior to plant shutdown.

IN ADDITION to the guarantees against layoffs, the key goals are for:

- A two-year agreement expiring Jan. 7, 1984.
- No regression in existing terms and conditions covering pensions, job health and safety clauses and pay differentials.
- A substantial wage increase in each of the two years. The basic national rate for OCAW members is currently $11.60 an hour.
- A $24-per-week contribution for each OCAW-represented worker to the OCAW Union-Industry Pension Plan as a supplement to existing company pension plans.
- "Premium-free" health care coverage for all OCAW-represented workers, retirees, spouses and dependents. Companies have increased health plan contributions by $36.50 in the past two years, which has resulted in full employer payments at some companies. Current coverage for retirees varies widely in OCAW's 400 contracts with the oil industry.
- Increasing vacations to seven weeks after 25 years of service from the current six weeks after 30 years.
- An additional paid holiday, to be determined by the bargaining unit, for a total of 11.

At AFL-CIO Conference

Role of Unions Pressed In Safety Enforcement

Unions must step up their involvement in the government's decision-making process on employer-contested job safety and health violations to assure that workers' interests are protected.

That message was stressed at a two-day AFL-CIO conference exploring the role and activities of the Occupational Safety & Health Review Commission. A major purpose of the meeting was to set forth practical ways for unions to better represent their members in the process.

THE THREE-MEMBER commission was established by the 1970 job safety law to review contested citations imposed on employers by OSHA.

Participants were greeted on the opening day of the conference by the landmark legal victory in the Supreme Court's decision upholding the OSHA cotton dust standard. The justices blocked attempts by the Reagan Administration to require cost-benefit studies in the development of occupational safety and health standards.

The 80 conference participants, representing AFL-CIO constitutional departments, affiliates and state federations, were told that the OSHRC adjudication process is taking on added importance as the volume of the commission's caseload grows.

THE NUMBER of the employer-contested OSHA citations has nearly doubled over the past seven years—increasing from 3,901 in 1973 to 7,386 in 1980.

During that period, the nature of the appeals process has changed in ways that fundamentally affect the rights of workers under the federal job safety law, AFL-CIO Vice President William H. McClennan observed in announcing the conference.

"Eighty-nine percent of contested OSHA citations are being settled 'out of court' by negotiated agreements between employers and Labor Dept. lawyers—often with no notice to and participation by union representatives," McClennan noted. He also cited recent OSHRC and appellate court decisions that are causing unions problems in the adjudication procedures.

"THESE DEVELOPMENTS make it more and more important for unions to become involved, to exercise their rights before the Review Commission and to protect the interests of the members they represent," he stressed.

"This means that union staffs should become more skilled and more knowledgeable in the exercise of their rights in this area of OSHA enforcement."

OSHRC Commissioner Bertram R. Cottine told the participants that while the nation has made progress in job safety and health over the years, much remains to be done in "the national effort to protect human life and preserve human dignity."

COTTINE SAID that OSHRC has steadfastly upheld the right of worker representatives to participate in negotiations for the settlement of contested citations.

"Obviously, the right to be heard does not compel a favorable result," he observed. "But it does guarantee an opportunity to actively participate in government decisions that vitally affect one's health and safety."

Rep. George Miller (D-Calif.) warned the conference that the Reagan Administration's government deregulation drive includes an all-out attempt to undermine the safety and health protections of American workers.

HE SAID that the attacks on OSHA are an attempt to subsidize industry at the expense of workers, with workers and their families paying the price when they become victims of job injuries and disease.

Miller called on unions to use all possible means—court actions, protests, oversight hearings, political campaigns—to make up for the lack of action by many Democrats in Congress to counter the Reagan Administration's tactics.

President Reagan has nominated Robert A. Rowland to a six-year term on the commission for the seat that has been vacant since Frank Barnako's term expired Apr. 28. Rowland, a former Texas assistant attorney general, was vice chairman of the Reagan election committee in Texas.



GEORGE MEANY PORTRAIT will hang at the elementary school in the Bronx, N.Y., that now bears his name. The framed picture was presented at dedication ceremonies to school principal Daniel N. Portelles, second from left, by AFL-CIO Regional Director Michael Mann. Present for the dedication were Mrs. Eileen Lee, left, Meany's daughter, and his sisters, Mrs. Ann Cassin and Mrs. Helen Fitzpatrick, right. The school is in Meany's boyhood neighborhood, a few blocks from Yankee Stadium.

Drive Launched to Block Decontrol of Natural Gas

(Continued from Page 1).

trol, done by Employment Research Associates of Lansing, Mich., warned that the windfall profits from natural gas decontrol would quickly translate into a further increase in the already huge political power of the oil and gas companies.

In the 1980 elections, "large sums were given to those whom the industry wanted to re-elect and to the opponents of members whom the industry wanted to defeat," the study found.

UNDER EXISTING law, the price of natural gas discovered after April 1977 is allowed to rise with inflation plus an additional percentage that is supposed to bring it to the level of decontrolled oil prices by 1985. Gas found before April 1977 would remain controlled unless the law were changed.

Oil prices have gone up so rapidly that immediate decontrol of new gas would have a staggering effect on the economy. The estimate of a $260-billion price rise over four years and the loss of some 3.4 million jobs are based on an assumption of an accelerated schedule of decontrol.

An AFL-CIO Executive Council statement last February urged Congress to reject any speedup in the decontrol of natural gas prices that would in effect allow the OPEC cartel to dictate the price that Americans pay for natural gas produced in this country as well as the price of oil.

A NUMBER OF unions taking an active part in the coalition effort issued statements backing the campaign against decontrol. The UAW warned that "the auto industry could lose tens of thousands of jobs" because of loss of consumer buying power, while higher costs for the ingredients of automobiles would make it harder to compete with foreign auto makers.

President William H. Wynn of the Food & Commercial Workers said the higher consumer costs would have their most severe job impact on the retail trade and food industries where the union's members work.

The State, County & Municipal Employees, Service Employees, Communications Workers were among the large-membership groups expressing concern at the Energy Coalition's news conference. And the Oil, Chemical & Atomic Workers made clear its commitment to the campaign to stop decontrol. OCAW members and their families are consumers as well as workers in the oil and gas industry and would be hurt by decontrol, the union said.

Performer Unions Plan Protest on Arts Funding Cut

New York—Delegates to the Actors & Artistes' 10th biennial convention announced plans for a "Save the Arts" rally here July 18 to protest President Reagan's proposed cuts in funding for the National Endowment for the Arts and the National Endowment for the Humanities.

The union and its constituent member organizations will coordinate the rally, which will take place at the Lincoln Center plaza. Similar demonstrations will be held in major cities across the country.

The Actors & Artistes—a federation of nine AFL-CIO performer unions—has appealed to Congress to save arts and humanities programs that would be severely crippled by the Administration's budget cuts.

In other action, the union re-elected Frederick O'Neal to his sixth straight two-year term as president. Also re-elected were Treasurer Harold M. Hoffman and Vice Presidents Chester Migden, DeLloyd Tibbs, H. O'Neill Shanks, Alan J. Nelson, and Executive Sec. Sanford I. Wolff. Willard Swire was elected to replace Donald Grody, who is now with the Federation of Professional Athletes.

The 4-As, as the union is commonly called, embraces Actors' Equity, the Television & Radio Artists, Musical Artists, Variety Artists, Hebrew Actors, Italian Actors, Screen Actors, Screen Extras, and Puerto Rican Artists & Technicians.

Idaho AFL-CIO Elects Jim Kerns For Full Term

Burley, Ida.—Jim Kerns, secretary-treasurer of the Idaho AFL-CIO for the past 12 years and its interim president since April, was elected to a full two-year term as president at the state labor federation's 23rd annual convention.

The 183 convention delegates also elected D. V. Maynard as secretary-treasurer and four new executive board members—Louis Foruria of the Carpenters, Jon Walters of the International Brotherhood of Electrical Workers, Verlow Hadden of the Oil, Chemical & Atomic Workers and Tom Harn of the United Transportation Union.

KERNS, A MEMBER of the Food & Commercial Workers, became interim president after Robert C. Kinghorn resigned to become a regional director for the Operating Engineers.

In setting priorities for the coming session of the state legislature which opens next January, the convention called for legislation to provide collective bargaining rights for all public employees in Idaho. Only fire fighters and teachers are currently covered by bargaining provisions, Kerns noted.

Delegates also stressed the need to protect worker safeguards from new attacks. In the last session of the legislature, attempts were made to repeal Idaho's prevailing wage and to enact a "right-to-work" bill. Both measures were defeated.

Gov. John V. Evans said in an address to delegates that even if the RTW bill been adopted, he would have vetoed it. The Senate rejected the measure 20-15 after it cleared the House, 49-to-21.

PLANS FOR A statewide media campaign to promote organized labor were unveiled at the convention. The effort includes a series of television commercials beginning on Labor Day to be followed by radio ads and press releases. The state federation is also launching a quarterly publication to expand its communications with union members.

OSHA Found Effective in Chemical Industry

New York—Recorded illness and injury rates in the chemical industry declined 23 percent over an eight-year period following the adoption of OSHA regulations at a cost to companies of only $140 a year per worker, according to a study released by the Council on Economic Priorities.

The study, Occupational Safety & Health in the Chemical Industry by Randall Higgins and Ruth Ruttenberg, estimates that nearly 90,000 injuries and illnesses were averted because of the improvements from 1972 through 1979.

EVEN SO, the public interest group which evaluates the social responsibility performance of U.S. corporations, noted that the chemical industry has a rate of violations per OSHA inspection nearly three times the national average. The study points out that the severity of violations by chemical firms exceeds all other industries except mining.

The 147-page study also rates the safety and health performance of the eight major chemical firms based on an extensive examination of OSHA inspection records.

Other key findings:

- The general schedule of OSHA inspections, singled out for criticism by the Reagan Administration and some members of Congress, has evidently played a positive role in reducing health and safety hazards in the chemical industry.
- Health inspections, a small fraction of OSHA's operations during the agency's early years, now constitute nearly one-third of all federal inspections in the chemical industry.
- Health problems were numerous and significant during the eight-year study, as only 17.6 percent of safety violations were classified serious, compared with 51 percent of the health violations.
- Worker complaints prompted nearly 41 percent of the OSHA inspections of the eight companies, compared with 27.3 percent for the entire industry.
- Worker-initiated inspections brought twice the average number of serious violations per inspection as general inspections.

The study points out that although OSHA has been charged by some sectors as an agency that over-regulates business with unimportant regulations. no factual basis exists for the charges. The authors note that OSHA discarded 900 standards in 1977 that it considered unrelated to safety and health protections for workers.

For Docks, Shipyards

Unions Defend Benefits Under Job Injury Law

The AFL-CIO and unions representing workers directly affected urged a Senate subcommittee to reject employer-sought cutbacks in the Longshoremen's & Harbor Workers' Compensation Act.

The 1972 law, which governs workers' compensation for injuries in shipyards as well as on the docks, also covers private employment in the District of Columbia. AFL-CIO Legislative Rep. Jay Power described it as a model law that should be emulated in other workers' compensation programs. Its benefits, which employers and insurance companies have attacked as too generous, "should be extended to all workers," he urged.

POWER AND OTHER union witnesses reminded the Senate subcommittee that the 1972 law was a compromise that included important concessions to employers that relieved them of liability under third-party suits.

"Now they seek to back out of their part of the agreement," Power protested.

Bills introduced by Subcommittee Chairman Don Nickles (R-Okla.) and in the House by Rep. John Erlenborn (R-Ill.) seek to reform the law by limiting benefit increases, ending free choice of physicians and restricting eligibility.

INDUSTRY AND insurance company witnesses urged its adoption, union representatives testified against the measure, and the Labor Dept.—which had originally been scheduled to present the Administration's position—cancelled its appearance because its planned testimony had not yet been cleared by the Office of Management & Budget.

Patrick Sullivan, legislative director of the Longshoremen, said insurance costs are high because of unsafe working conditions and because of pressure by shipping company operators to cut corners to reduce loading time so as to keep their vessels at sea as long as possible.

He told the panel that the ILA supports steps to halt fraud in accident claims, but he charged that employers "begin with the unwarranted presumption that claims are fraudulent unless proven otherwise."

ONE WAY to cut down on claims, Sullivan suggested, is to have clear labeling of toxic substances being transported and laws to protect longshoremen who might be endangered by leaks or spills.

Steelworkers Legislative Director John J. Sheehan, whose union represents some 17,000 shipbuilding and ship repair workers covered by the law, protested that the proposed cutbacks of jurisdiction would return the industry to conditions that existed before the 1972 law. Under the previous law, an injury over water was covered but state workers' compensation laws would apply if a worker on the same job were hurt on land.

If workers are building a ship, he said, "it should make no difference as to whether they are building it on land or over the water. The hazards are the same . . . and the compensation system should be the same."

Testifying along with Power were Frances Zwenig for the AFL-CIO Building & Construction Trades Dept. and Ande Abbott for the Boilermakers.

ABBOTT SUGGESTED that overcharging by the insurance industry may be responsible for some of the cost rises that employers attribute to passage of the 1972 law.

Zwenig reminded the subcommittee that workers' compensation laws are intended for the protection of injured employees and complained that all the charges being proposed by the Nichols bill "seem designed to promote only the interest of employers and insurance carriers."



AFL-CIO WITNESSES at Senate hearings urge rejection of a bill that would cut back benefits and coverage of the Longshoremen's & Harbor Workers' Compensation Act. From left, Arleen Gilliam, workers' compensation specialist in the AFL-CIO Dept. of Social Security; Legislative Rep. Jay Power, who presented the testimony, and Associate Social Security Director Larry Smedley.

Air Controllers Avert Strike, Vote on Contract Settlement

The Air Traffic Controllers canceled their plans for a nationwide strike after the union's negotiators reached a tentative agreement with the Federal Aviation Administration that would mean an average pay raise this year of $4,000 for the 17,000 controllers who coordinate landings and takeoffs at large and small airports across the country.

The pay boost, which must be approved by Congress as well as PATCO members, includes a 6.6 percent increase —about $2,300—under the terms of the settlement, plus the Administration's planned 4.8 percent wage increase for all federal workers this October.

THE UNION said mail ballots will be sent to members beginning June 29, and are expected to be counted at PATCO headquarters in Washington around the middle of July.

PATCO President Robert Poli, who described the agreement as "a fair contract," said he would recommend that members ratify its terms. If ratified, implementing legislation will be introduced in the House and Senate.

Announcement of the settlement came at the end of a marathon negotiating session that extended five hours past the strike deadline of midnight, June 21, that had been set by the union a month earlier. The last contract with the FAA, the controllers' employer, expired on Mar. 15.

BESIDES WAGE increases, the package gives PATCO members the right to participate in formulation of procedures to handle air traffic safely and efficiently and to make recommendations on new equipment.

Other highlights of the 42-month settlement:

- Relaxation of the previous limitation on premium pay to permit time-and-a-half after 36 hours. The controllers would still be required to work 40 hours a week, however. The effect would be to give controllers 42 hours' pay for 40 hours of work.
- An increase in the night pay differential to 15 percent from the present 10 percent.
- Up to 14 weeks of severance pay for experienced controllers who must quit for medical reasons.

POLI SAID the biggest change in the new agreement is that, through contract language, the government recognizes the air traffic controllers as unique federal employees with special needs.

PATCO is affiliated with the Marine Engineers' Beneficial Association and represents about 14,000 of the nation's 17,000 air traffic controllers.

Kirkland Blasts Tax Plan On 'Giveaways' to Business

(Continued from Page 1)

the cost of new equipment and machinery. After a phase-in period, the committee bill would allow the entire cost to be written off in a single year.

"Equally disturbing," Kirkland said, "is the bipartisan support for other costly and long-resisted attempts to raid the U.S. Treasury, including the virtual elimination of estate and gift taxes, added breaks for oil royalty owners, slashes in the top tax rate on unearned income, and a variety of inequitable devices touted as savings incentives."

The AFL-CIO's concern is that much of the tax savings to business would be used for speculative purposes, to buy other companies, invest overseas or finance shutdowns and relocations that destroy jobs, Kirkland said.

EVEN A SOMEWHAT more equitable individual income tax cut than the Administration has proposed would leave middle-income and moderate-income households with a bigger share of the tax burden, Kirkland noted.

He urged the Ways & Means Committee to consider anew the concept of a social security tax credit coupled with targeted assistance to economically distressed industries and other tax decisions to encourage economic growth, job gains and productivity improvements. Two committee members, Frank J. Guarini (D-N.J.) and William M. Brodhead (D-Mich.), have introduced bills encompassing the AFL-CIO's proposals.

By contrast, Kirkland said, either the Reagan Administration's corporate tax cut proposals or the version tentatively agreed to by the Ways & Means Committee "would destroy whatever fairness now exists in the tax structure . . . relegating to the scrap heap the principle of a progressive tax system based on ability to pay."

Maritime Unions Win Bargaining Gains for 45,000

(Continued from Page 1)

Meanwhile, the Longshoremen negotiated a contract supplement for ILA members at Atlantic and Gulf Coast marine terminals that establishes a $10 million incentive plan to help stimulate container handling work.

The NMU agreements with the Maritime Services Committee and the Tanker Services Committee provide for COL adjustments every six months starting in December 1982. The SIU contracts with the same employer groups as well as the American Maritime Association and independent ship owners have similar cost-of-living adjustments.

Both unions put special emphasis on improving medical and dental insurance plans because of threatened cutbacks in the U.S. Public Health Service hospitals resulting from the Reagan Administration's budget slashes.

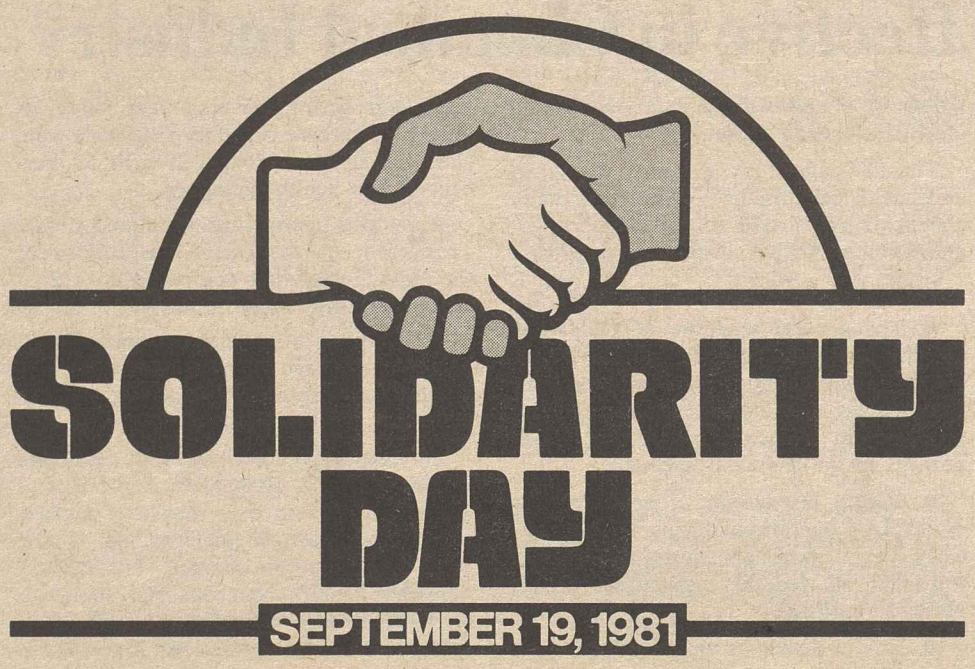
PENSION BENEFITS were increased $25 per month for regular retirees and seamen on disability retirement, the NMU reported.

The SIU contracts provide for a paid holiday on Aug. 20, the birthday of the late Seafarers' president, Paul Hall, while dropping the Lincoln's birthday holiday.

The new ILA supplemental agreement with port operators was attached to the union's master agreement that runs through Sept. 30, 1983.

THE SUPPLEMENT is designed to increase the availability of work for ILA members. It provides for the establishment of an emergency hearing panel to determine whether employers have committed violations by diverting their cargo handling operations away from the docks.

The issue developed after a federal court issued an injunction on behalf of the National Labor Relations Board suspending the use of contract rules protecting union work on container cargoes.



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NAACP to Join Labor's Solidarity Day Protest

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Denver—The NAACP voted enthusiastic endorsement of the AFL-CIO's Solidarity Day demonstration and called on more than 2,200 local branches to take part in the Sept. 19 rally in Washington "for jobs, justice and equity."

Nearly 5,000 delegates to the 72nd annual convention of the nation's oldest civil rights organization applauded and adopted a Solidarity Day "emergency resolution" that was brought to the floor at the opening session of the convention.

OTHER SPECIAL resolutions adopted at the same session with the support of the NAACP board sharply criticized Reagan Administration budget cuts and pressed for renewal of the Voting Rights Act, A few hours later, delegates sat politely but slightly through a speech by President Reagan.

The Solidarity Day resolution and a message from AFL-CIO President Lane Kirkland stressed the long and close alliance between the trade union and civil rights movements.

In endorsing Solidarity Day, the NAACP cited the attempts by the Reagan Administration to "diminish or destroy" programs to help "the aged, the poor and the disadvantaged."

The resolution, adopted by voice vote without dissent, welcomed the initiative taken by the AFL-CIO and the federation's invitation to the NAACP and other concerned organizations "to participate in this timely demonstration."

UAW President Douglas A. Fraser, one of the speakers at a labor luncheon held during the convention, said his union is going all out to make Solidarity Day a success.

"LET'S MAKE this the greatest demonstration since people of all walks of life and all colors marched in Washington in support of civil rights in 1963," Fraser urged.

Kirkland's letter to NAACP Executive

(Continued on Page 3)

Right Wing Targets 8-Hour Day



STALLING TACTICS by Postmaster Gen. William F. Bolger in contract talks covering 600,000 postal workers brought out thousands of members of the Letter Carriers, Postal Workers and Mail Handlers division of the Laborers for a nationwide protest June 25. In Washington, APWU President Moe Biller and NALC Executive Vice President Tony Huerta are shown addressing the rally. Union contracts with the Postal Service expire July 20. **(Story, Page 8)**

Bill to Scuttle Rule Backed By Donovan

The Reagan Administration is supporting a Senate bill to repeal the eight-hour day standard for employees of federal contractors and has signaled approval of other legislative and administrative changes sought by employer and right-wing groups but strongly opposed by unions.

Labor Sec. Raymond Donovan formally endorsed a bill to end the present requirement or the Walsh-Healey Act and the Contract Work Hours & Safety Standards Act that overtime rates of time-and-one-half must be paid after eight hours in a day to workers employed on federal contracts, whether for procurement of goods, for services or on construction contracts. The bill, by Sen. William L. Armstrong (R-Colo.), would allow straight-time pay for 10 hours a day for persons employed on a work-week of four 10-hour days.

DONOVAN wrote Senate Labor Committee Chairman Orrin G. Hatch (R-Utah) that the Administration supports the bill because the present overtime pay requirement is a "disincentive" to the use of "unconventional worktime arrangements" that could increase both job satisfaction and productivity.

In testimony before the Senate committee last March, the AFL-CIO noted that less than 1 percent of workers are on a 10-hour day, 40-hour week schedule and that a high proportion of union contracts require at least time-and-one-half overtime rates after eight hours, with an increasing number specifying premium pay after a seven-hour day. The Armstrong bill "is moving in the wrong direction," the federation said.

In the works, Donovan indicated, is formal Administration support for a subminimum youth wage, a perennial demand of employer groups.

EARLIER THIS year, Donovan said he wanted to wait on the report of the Minimum Wage Study Commission, a blue-

(Continued on Page 8)

Reagan's Budget Cuts Sweep Through House

By David L. Perlman

The House adopted a $38 billion package of budget cuts and program changes sought by the Reagan Administration, approving almost sight unseen a substitute budget reconciliation bill hundreds of pages long and pockmarked with scores of last-minute changes.

On the showdown, a key 217-210 vote, 29 conservative Democrats broke with their party's leadership to support Reagan. On the other side of the aisle, the White House kept all Republicans in line, including GOP "moderates" who in the past have crossed party lines to support progressive programs.

THE CUTS made by the conservative coalition were in most cases deeper than was required to comply with the stringent spending ceilings Congress had set in a budget resolution adopted last May. That resolution had directed 15 legislative committees to reshape programs in their jurisdiction to achieve the "savings" needed to meet the budget targets.

By adopting the Republican substitute, the House scrapped the actions taken by its committees. At the bidding of the White House, it imposed deeper cuts in student loans, child nutrition, social security benefits, welfare, subsidized housing, food stamps and federal employee retirement benefits, among others.

PERHAPS EVEN more far-reaching were portions of the Republican substitute bill that eliminated separate funding of a number of education and health programs. They would be replaced, with less total funding, by general purpose "block grants" to the states.

In a letter to House members before the vote, AFL-CIO Legislative Director

Rollcall Vote on Page 6

Ray Denison warned that the Administration sees the switch to block grants as "the beginning of a very short road to the total elimination of federal funding for these essential and comprehensive education, health, energy, social service and community development programs."

President Reagan personally called all

(Continued on Page 7)

Job Loss Seen As Curbs Expire On Shoe Imports

President Reagan's decision to end import restrictions on certain kinds of footwear from Taiwan and South Korea will cause further job losses for American shoe workers already suffering from over 15-percent unemployment, union and industry leaders warned.

Reagan's action is "insensitive to the needs of these workers for jobs," said Murray Finley, president of the Clothing & Textile Workers, and Jacob Sheinkman, the union's secretary-treasurer.

WILLIAM H. WYNN, president of the Food & Commercial Workers, said the President's decision "flies in the face of the International Trade Commission's finding that the domestic shoe industry was still being injured by imports" from the two

(Continued on Page 8)

OSHA Standard On Lead Clears High Court Test

By John R. Oravec

The Supreme Court rejected challenges by the lead industry and the Reagan Administration to an OSHA standard that sharply reduces the hazard of lead poisoning for more than 800,000 workers.

Coming on the heels of a decision 12 days earlier upholding the federal cotton dust regulation, the high court's action reinforced its ruling against Administration attempts to impose cost-benefit tests by OSHA in developing safeguards on worker exposure to toxic substances.

Steelworkers President Lloyd McBride, whose union represents a large segment of the lead industry's workers, called on employers to move quickly to install en-

(Continued on Page 7)

General Board Meeting Aug. 6 To Mobilize for Solidarity Day

AFL-CIO President Lane Kirkland has called an Aug. 6 meeting of the federation's General Board, comprising the president or principal officer of each of the 102 affiliated unions, to discuss plans for the Sept. 19 "Solidarity Day" protest demonstration in Washington.

The meeting will be held at the Hyatt Regency Hotel in Chicago following sessions of the AFL-CIO Executive Council, Aug. 3-5.

"The American labor movement must provide national leadership in the present struggle to protect and advance our country's social and economic progress," Kirkland said in a letter to General Board members. The meeting will examine "how best to mobilize our efforts in behalf of union members and those who share our concerns for a more just society," he added.

Schedule for July Listed By Labor Studies Center

A workshop on newswriting and editing, an institute on organizing techniques, and a seminar on workers' compensation highlight activities at the George Meany Center for Labor Studies, Silver Spring, Md., during July.

In addition, nearly 100 trade unionists working for college degrees of Bachelor of Arts in Labor studies will spend the week of July 26-31 in residence, attending classes and preparing for their next six months of home study.

Four AFL-CIO affiliates will run their own staff training programs on campus during the month. The schedule:

Organizing Techniques, July 6-10—An institute on the essentials of successful organizing campaigns. Labor Board procedure will be reviewed.

Workers' Compensation, July 22-24—A seminar for principal officers of state central bodies to explore in detail problems in state workers' compensation programs and legislative developments at the state and federal levels. This seminar is co-sponsored by the AFL-CIO Dept. of Social Security.

Newswriting & Editing for Union Publications, July 26-31—An opportunity for union editors to sharpen their skills in news and headline writing, makeup, and editing for readability and credibility. This workshop is co-sponsored by the International Labor Press Association.

Unions using the campus for their own leadership training are the Electrical, Radio & Machine Workers, July 5-10; School Administrators, July 12-17; Flight Attendants, July 12-17; Molders, July 19-24.

The American Institute for Free Labor Development is conducting classes for 40 Spanish-speaking women trade unionists from Latin American countries who are on campus all month.

More information on these or other labor studies programs may be obtained from Fred K. Hoehler, Jr., director, George Meany Center, 10000 New Hampshire Avenue, Silver Spring, Md. 20903. Telephone 301/431-6400.

Kirkland Warns NIOSH Shift Could Weaken Agency's Role

AFL-CIO President Lane Kirkland warned that the role of the National Institute for Occupational Safety & Health may be seriously weakened by shifting the institute's headquarters from the Washington area to Atlanta. He urged Health & Human Services Sec. Richard S. Schweiker to reconsider the move.

In a letter to Schweiker, Kirkland expressed concern that such a shift could impair the effectiveness of NIOSH's research and investigation program, which ultimately would damage the effort to improve job safety and health conditions.

HHS ANNOUNCED the planned shift of NIOSH headquarters with the naming of Dr. J. Donald Millar as the new director of operations. Millar had been director of the federal environmental health center at the Atlanta-based Centers for Disease Control.

Kirkland said the transfer "could make it difficult for NIOSH to preserve its identity as an institute for the protection of workers' health and safety by subordinating its mission to that of the Centers for Disease Control."

He noted also that the move would be costly, resulting in a drain on the institute's financial resources and a loss of highly qualified staff members who can't make the move. About 107 key NIOSH positions will be transferred to Atlanta and another 50 to Cincinnati.

"In addition, the physical separation will endanger the close working relationship NIOSH must have with OSHA and EPA, as well as with union health and safety experts," Kirkland pointed out.

While expressing disappointment that affected groups and individuals were not consulted on the shift, Kirkland said labor's primary concern is for the future ability of NIOSH to carry out its role in protecting the health and safety of American workers.

Steelworkers, UAW Urge Renewal of Voting Rights Act

The Voting Rights Act has been dramatically successful and should be continued, Steelworkers President Lloyd McBride and Auto Workers Vice President Marc Stepp testified at House hearings.

Because of a history of Senate filibusters and delaying tactics on civil rights legislation, a House Judiciary subcommittee headed by Rep. Don Edwards (D-Calif.) is taking up an extension bill more than a year before the Aug. 6, 1982, deadline.

"VOTING DISCRIMINATION in this country has not ended," McBride warned. "Instead it takes more subtle and more sophisticated forms" such as gerrymandering districts to nullify the impact of minority votes.

"When minority voting rights are abridged, all Americans suffer," McBride stressed.

Stepp termed it "essential" to continue the national ban on literacy tests and the requirement for Justice Dept. approval of changes in political districts in parts of the nation where fewer than 50 percent of blacks or language minorities had been registered to vote.

He cited the "great strides" taken since 1965, when the Voting Rights Act was first passed, and urged that "we cannot take even one little step backward."

McBRIDE SAID continuation of the requirement for pre-clearance of changes in voting districts in communities where this has been a problem is especially important to assure that the redrawing of congressional districts required by the 1980 census doesn't result in "racial gerrymandering."

Rep. Peter W. Rodino, Jr. (D-N.J.), chairman of the full Judiciary Committee, is the sponsor of the labor-backed bill to extend the law's key provisions an additional 10 years and to clarify a section dealing with standards for judging local and state voting laws.

At the start of hearings in May, AFL-CIO President Lane Kirkland and the heads of the nation's leading civil rights organizations endorsed the Rodino measure.

The Reagan Administration has not yet taken a position on extension of the Voting Rights Act and the President sidestepped the issue in his address to the NAACP convention on June 29.

ILO Bids Soviet Union Take 'Concrete' Action To Assure Union Rights

Geneva—The International Labor Organization has called on the Soviet Union to take "concrete measures" to live up to its commitments to guarantee workers the right to form independent unions of their choice.

The call was made in a report adopted by the ILO's general assembly in the final stage of a session that brought together nearly 1,900 trade unionists, employers and government representatives and their advisers from most of the ILO's 145 member states.

IN URGING action in the "near future" by the Soviet Union, the report said Moscow should bring its labor legislation into line with the ILO convention, a formal treaty establishing international standards for guaranteeing workers freedom to organize and bargain without government interference.

An assembly watchdog committee that regularly reviews how governments abide by the pledges under the ILO standards found a "divergence" between the rights guaranteed under the convention and what Soviet workers are permitted by the communist regime.

Soviet delegate Alexander Malikov went before the assembly to "emphatically object" to the committee's finding against Moscow, which had touched a raw nerve. Malikov attacked the ILO machinery for verifying compliance with the standards, charging that the ILO was assuming the role of a "supernational body with the functions of a tribunal."

BUT EDWARD J. Hickey, Jr., the legal expert on the U.S. worker delegation, praised the ILO efforts to have governments toe the line they had drawn.

Hickey reminded the assembly that Lech Walesa, head of Poland's independent Solidarity trade union federation, had expressed "grateful acknowledgment" earlier in the session for the role played by ILO in advising the Polish government on how to give full effort to the ILO convention on the right of workers to organize freely.

This achievement, through direct contacts by ILO officials with Warsaw, is a "milestone—arising as it does in a communist country—and its significance in terms of advancing free and independent trade unionism and human dignity is obvious," Hickey observed.

MEANWHILE, the assembly's president, Senegal's Labor Minister Alioune Diagne, rejected an Arab bid to make political capital of the Israeli air strike on Iraq's nuclear facilities at Tamuz.

Refusing to allow the assembly to be sidetracked by a political issue outside the ILO's scope, Diagne ruled "irreceivable" an Arab demand that the assembly condemn Israel and expel the Jewish state from the ILO.

With Eugenia Kemble of the Teachers and Mike Boggs, assistant director of the AFL-CIO Dept. of International Affairs, speaking out for U.S. workers, pro-Moscow propaganda slogans were neatly eliminated in committee from a Soviet draft resolution on disarmament.

IN THE COMMITTEE version adopted by the assembly, the resolution simply called on the ILO to make whatever contribution it can "within its field of competence" to United Nations studies on the possible economic and social consequences of disarmament.

A resolution adopted by the assembly on the proposal of U.S. Worker Delegate Irving Brown and other free workers made the "ratification and full application" of ILO standards a major goal of the "international development strategy" for bettering life in the Third World.

Another free worker resolution approved by the assembly calls on ILO member states to multiply their efforts to prepare, adopt and apply comprehensive training programs for workers.

A CONVENTION for insuring that neither men nor women encounter job discrimination because of family obligations was approved by the assembly for submission to governments for ratification.

Joyce Miller, vice president of the Clothing & Textile Workers, and Jose Estrada of the American Institute for Free Labor Development took part in committee discussions on this convention.

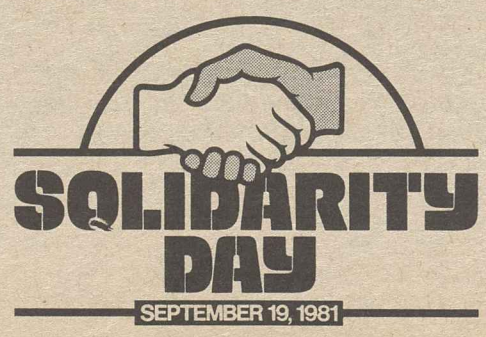
Ratifying governments will be obligated to assure as much as possible that workers with family responsibilities can "exercise their right to free choice of employment."

Leon Lynch, vice president of the Steelworkers, and Charles Gray of the Asian-American Free Labor Institute were the AFL-CIO team members who helped draft a convention to protect workers against job-related accidents and health hazards.

ALSO APPROVED for submission to governments, the proposed treaty spells out the measures to be taken in consultation with unions and employers to "formulate, implement and periodically review a coherent national policy" on occupational health and safety.

J. F. Otero, vice president of the Railway & Airline Clerks, and Jesse A. Friedman of AIFLD represented U.S. workers in an assembly committee that prepared for final drafting at next year's session new standards for social security protection for migrant workers.

Similar preparatory work on standards to protect workers against unfair dismissals was done in a committee that includes Robert F. Harbrant, president of the AFL-CIO Food & Beverage Trades Dept., and Lester N. Trachtman of the African-American Labor Center.



Economic Signs Underscore Lag In Recovery Rate

The government's index of leading economic indicators, a barometer of future economic trends, plunged 1.8 percent in May, the largest monthly decline since it fell 2.5 percent a year earlier.

The drop in the index, the third since January, confirmed the view of many economists that the economy's recent pattern of growth had come to a halt. Commerce Sec. Malcolm Baldrige said the decline in the index, together with other information available, "suggests that the economic recovery that began last summer temporarily has stalled."

ANALYSTS WHO believe that business activity has buckled under the pressure of high interest rates since the beginning of the year were not too surprised by the latest Commerce Dept. report. They see continued weak economic growth through at least the third quarter of the year.

Nine of the 10 available indicators in the May index contributed to the decline for the month. The biggest negative influence was at the very beginning of the supply pipeline, an apparent drop in demand for crude materials like scrap iron and paper.

Other factors feeding into the downturn were the layoff rate, new orders, the pace of deliveries, contracts and orders for plant and equipment, building permits, stock prices, liquid assets, and the money supply adjusted for inflation. The only indicator that gave off positive signals was the average workweek.





LABOR'S SUPPORT for ratification of the Equal Rights Amendment was reaffirmed by AFL-CIO Sec.-Treas. Thomas R. Donahue in Washington, a focal point of the June 30 nationwide ERA rally. Donahue was joined in addressing the 3,000 ERA supporters across from the White House by Florine Koole of the Communications Workers and Joycelyn Thompson of the Machinists. Alan Alda, right, a member of the Screen Actors, keynoted the Washington rally.

Hotel, Restaurant Delegates Adopt New Dues Structure

Chicago—Delegates to the 39th convention of the Hotel & Restaurant Employees approved constitutional changes to streamline the union's operations and bolster its national legislative and organizing goals.

The 350 delegates to the week-long meeting approved a five-step per capita and dues increase, and voted to change the union's name, effective in late July, to the Hotel Employees & Restaurant Employees International Union (HERE). The former name was Hotel & Restaurant Employees and Bartenders' International Union.

THE CURRENT $2.32 monthly per capita paid by local unions will increase on Oct. 1, 1981, by $1.06 for U.S. locals and $1.01 for Canadian affiliates, plus an additional 50 cents each Oct. 1 through 1985.

The delegates also voted to increase the current minimum membership dues of $5.50 a month by $2.06 for U.S. and $2.01 for Canadian locals on Oct. 1, 1981, and by an additional $1 each October through 1985. Locals otherwise may set their own dues structures.

The difference between the U.S. and Canadian rates reflects the 5 cents in the U.S. rate allocated to legislative activities. The additional penny in both cases will be earmarked as a contribution to St. Jude's Children's Hospital.

This will bring the union's contribution to the hospital, instituted at the 1976 convention, to 3 cents per member per month.

Edward T. Hanley was re-elected without opposition as the union's president and John Gibson as secretary-treasurer, both to their second full five-year terms.

The convention amended the union's constitution to create the office of general vice president and elected John C. Kenneally to the post. Kenneally had been assistant to the president.

The position of director of organization was also made an elective office. Herman Leavitt, a vice president at large, was chosen to fill the position.

THREE NEW district vice presidents were elected to fill vacancies left by retirements. They are Vito Pitta, District 2, New York; Rhonda Allgaier, District 8, Seattle; and Robert J. Gamberg, District 9, Monterey, Calif. Allgaier, along with Hanley, is also a vice president of the AFL-CIO Food & Beverage Trades Dept.

Vincent Sirabella of Los Angeles and Jack Stafford of Las Vegas were elected vice presidents at large, expanding the number of district and at-large vice presidents to 19. All other incumbent vice presidents were re-elected.

In his opening remarks to the delegates, Hanley called on the union's members to gear up for the "challenges of organizing."

"WE HAVE NOT yet conquered privation and hunger. Black and minority workers are still repressed. This must and will be changed," Hanley declared.

He pledged that the union would step up organizing to bring the "benefits of the union to more people" and to "counteract the actions of union-busters."

He urged the delegates to work to "thwart new attacks on labor by its antagonists," and he scored the news media for "unfair treatment" of labor.

AMONG THOSE addressing the convention were House Speaker Thomas P. O'Neill (D-Mass.), Rep. Dan Rostenkowski (D-Ill.), Rep. Guy Vander Jagt (R-Mich.), Rev. Jesse Jackson, president of Operation PUSH, and Richard M. Daly, state's attorney for Cook County, Ill.

Labor speakers included AFL-CIO COPE Director Al Barkan; Earl D. McDavid, secretary-treasurer of the AFL-CIO Union Label Dept.; Robert F. Harbrant, president of the AFL-CIO Food & Beverage Trades Dept.; and Chicago AFL-CIO President William A. Lee.

Flint Glass Union Spurs Action on Job Health Risks

Hollywood, Fla.—Delegates to the 93rd convention of the Flint Glass Workers adopted a strong resolution calling for improved protections for workers from health and safety hazards in the industry.

The delegates to the 12-day convention directed the union, which represents over 32,000 workers in the manufacture of glass products, to support efforts to eliminate such dangerous substances as asbestos from their workplaces.

The convention deplored attempts by the Reagan Administration to gut the protections of the Occupational Safety & Health Act, minimum wage safeguards, wage and hour standards, social security benefits, unemployment compensation and other programs that benefit workers.

AFGW PRESIDENT George Parker urged the membership of the 103-year-old union to support efforts to preserve these programs from budget-cutting assaults.

Parker was re-elected by acclamation to his 11th two-year term, and Ivan T. Uncapher was re-elected to his fifth term as secretary-treasurer. Also re-elected were Vice Presidents Robert W. Newell, Eugene Bowling and Ben Johnson. Lawrence Bankowski was re-elected as assistant secretary.

President Jacob Clayman of the National Council of Senior Citizens told the delegates that the Reagan Administration's proposed cuts in the federal budget would amount to "disaster" for older Americans, and he urged them to press their representatives in Congress to fight the cuts.

Other speakers included Howard Chester, chairman of the Stone, Clay & Glass Coordinating Committee, and Dr. Edward Holstein, an asbestos expert on the staff of New York's Mt. Sinai Hospital.

Britain's Jobless Rate Doubles in Two Years

London — Britain's unemployment rate zoomed to 11.1 percent in June, its highest level since the 1930s and double the rate since Conservative Prime Minister Margaret Thatcher's election two years ago.

The government's Dept. of Employment said that 2,558,405 Britons were out of work last month, and that a figure of 3 million was possible by the end of the year.

Joblessness has risen steadily as Mrs. Thatcher's economic policies of monetarism, including spending cuts and attempts to balance the budget, have been implemented. The June jobless rate compares with 10.6 percent in May and 6.9 percent a year earlier.

David Basnett, chairman of the British Trades Union Congress economic committee, said that "the last two years have been a brutal and costly lesson in how not to run the economy. . . . The only hope for the unemployed now is a complete reversal of economic priorities, so that creating new jobs is once again at the top of the agenda."

NAACP to Join Solidarity Day Demonstration

(Continued from Page 1)

Director Benjamin L. Hooks expressed confidence and determination that hard-won progress will not be reversed.

He cited the "fundamental changes" that the labor and civil rights alliance helped bring about.

"WE HAVE swept away the age-old legal codes and legislative sanctions that perpetuated racial discrimination in our schools, in housing, in public accommodations and in the world of work," Kirkland said.

Equality is closer to becoming "a fact of daily life, as well as of law," he noted. And labor remains committed "to affirmative action programs necessary to open doors previously shut to minorities and women."

But Kirkland voiced concern at signs of retreat. "Violations of civil rights laws that would have been unthinkable even a year ago have already begun to surface in states where our opponents eagerly anticipate the demise of the Voting Rights Act," he warned.

And there is suffering ahead, he said, "as the Administration seeks to close one door after another in the face of those who need jobs, food, housing and the educational, medical and social services their government will no longer supply."

The AFL-CIO is devoting its energies and resources to preserve a just society, Kirkland affirmed.

"We are heartened," he said, "to know that the NAACP is at our side."

Donahue Pledges Labor Push for ERA Ratification

The AFL-CIO strongly reaffirmed its support for the Equal Rights Amendment and will continue working for its ratification, federation Sec.-Treas. Thomas R. Donahue told a crowd of 3,000 ERA supporters at a June 30 rally in Washington.

The lunch-time gathering, dubbed a Countdown Rally, was one of 180 demonstrations sponsored nationwide by the National Organization for Women to dramatize the final 12 months in the ratification process. Thirty-five of the required 38 states have approved adding the amendment to the Constitution.

THE AFL-CIO supports ERA "for one simple reason—because it is right," Donahue said. The amendment "recognizes the fundamental dignity and individual rights of every human being. We believe in it, we have fought for it, and we will continue to fight for the cause of individual human dignity above all other causes," he said.

He pledged that the federation and its state and local councils will be active in urging legislation in states that have not ratified the amendment to do so before the June 30, 1982, deadline.

Donahue pointed out the opposition to the ERA is being led by the same people who are seeking to take away laws and programs that benefit and protect workers, the elderly and the needy.

"ERA—AND ALL the social justice issues—are opposed, even hated, by a loud, noisy minority that so distorts the issues with the 'Big Lie' technique that it has thwarted the will of the majority of the citizens of this country," Donahue said.

He urged those attending the rally "to raise the real voice of the majority of Americans so that it is heard in every state legislature, in Congress and in the White House," and he called on ERA supporters to join the AFL-CIO's "Solidarity Day" demonstration Sept. 19 in Washington.

"That day, we will reaffirm the labor movement's historic commitment to social and economic justice, and that includes, above all, a commitment to equality," Donahue told the gathering.

OTHER LABOR speakers at the rally included Florine Koole, assistant to the executive vice president of the Communications Workers, and Joycelyn Thompson, assistant director of the Machinists' Human Rights Dept.

The roster of more than 25 speakers included NOW President Eleanor Smeal and actor Alan Alda.

John Svahn New Chief Of Social Security Agency

Baltimore—The new head of the Social Security Administration, the largest unit of the Dept. of Health & Human Services, is John A. Svahn, who was a state welfare official in California when President Reagan was governor.

The social security commissioner will administer a program that provides some $144 billion a year in benefits.

The Budget Surrender

CONGRESS HAS come full circle in the budget-setting process, and it has only itself to blame.

It has allowed the White House to seize the machinery it set up in 1974 in rebellion against presidential domination of the budget process.

The Congressional Budget Act that was passed then by near-unanimous votes of the House and Senate established procedures to set overall budget targets that in later revisions would be broken down into program functions and made binding. While the mechanism was overly complex and often overly restrictive, the intent was good. There was in the early years substantial bipartisan cooperation in trying to make it work.

IN THE SAME LAW, Congress established its own nonpartisan budget office to provide the economic research needed for decision-making and to estimate the cost impact of program changes.

But this year, first the Senate and then the House surrendered the decision-making role to the Reagan Administration. The budget reconciliation bills passed by the Senate and the House bear the mark of the Reagan White House, with only a few thin surface changes made by congressional committees.

And the reconciliation process, intended as the final step in setting binding budget ceilings at the start of the fiscal year in October, has been converted by this Administration into a legislative shortcut to repeal and amend laws without separate consideration by Congress.

TRADE ADJUSTMENT assistance and the minimum social security benefit are among the many programs that are likely to disappear with hardly a passing mention in the Congressional Record. Look for their demise somewhere in a bill hundreds of pages long that only a few congressional staffers have read in its entirety.

The scene on the House floor a few days ago was described by the chairman of the House Budget Committee as "a shameless charade of the legislative process gone mad."

A majority of the House, once so jealous of its role as a part of the Legislative rather than the Executive Branch of the government, surrendered all independent judgment. Who knew what those scrawled changes in a photo copy of the bill were intended to mean? Was it true, as some warned, that science research funds for government agencies were abolished? And if so, was it by intention or carelessness? Just what last minute changes had been made by the White House to corral a needed vote?

THE HOUSE ACTION was proclaimed by the newspaper headlines as a big political victory for President Reagan.

But the real loser was not the House Democratic leadership or the committee chairmen who had labored to meet unrealistic budget ceilings. The real loser, for now, is the Congress of the United States.

In the long run, the loser will be the American people.

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THOMAS R. DONAHUE, *Secretary-Treasurer*
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'Hey Fellas, an Invite!'



Facts Refute Claims

Statisticians Challenge Reagan On Exaggeration of Tax Bite

By Gus Tyler

JUST HOW BIG a bite do taxes take out of the average income? "Today," advises President Reagan, "we have to work four months to pay that bill." In contrast, he noted, "prior to World War II, taxes were such that on the average we only had to work a little over one month each year to pay our federal, state and local tax bill."

That statement stirred a couple of statisticians into action. In a series of pieces they have been running in the New York Statistician, official publication of the New York Chapter of the American Statistical Association, on the "Misuse of Statistics," H. F. Spirer and A. J. Jaffe of the University of Connecticut and Columbia University, respectively, have been doggedly tracking down the inaccuracy of figures in common usage. So when they saw the Reagan statement about how we spend one-third of our earning time to pay taxes, as contrasted with only one-twelfth before World War I, these two watchdogs began to howl.

WHAT THESE ACADEMICS found in the latest issue of Statistical Abstracts of the United States is that "direct taxes have gone from 14 percent of income to 22 percent," a 53 percent increase from the period before World War II to the present.

"The average working time to pay direct taxes has increased from 1.7 months to 2.6 months, also an increase of 53 percent." Although nobody is happy with this increase, the two statisticians remind us that the increase is less than one-seventh of the President's figure.

Another way to calculate taxes is to go beyond "direct" taxes to all kinds of taxes collected at all levels of the government. Here the increase from the pre-war days to the present is 16 percent." The record, based on documents published by the government, shows that there is "no official data support (for) the President's dramatic assertion of a 400 percent increase."

THE SCHOLARLY PIECE then addresses another Reagan comment: "The percentage of your earnings the federal government took in taxes in 1960 has almost doubled." Actually, "the increase in average percentage of income paid in individual income taxes has gone from 10.9 percent to 12.2 percent, a growth of about 11 percent."

So what the President declared to be a 200 percent increase is only a small fraction of that amount.

In short, the President was in error—according to official publications. Wrong about the percentage of earnings going for direct taxes; wrong about the percentage going for all kinds of taxes; wrong about the increase in the last 20 years.

Now we can be fairly sure that the President was not aware that he was exaggerating wildly. He undoubtedly was reciting "fact" given to him by someone on staff.

BUT THE IMPACT on policy is the same as if Reagan had done his own research. What he said is taken for the truth and is heard by millions.

What the New York Statistician says is read by few—very few—a handful of academicians who subscribe to this two-page publication.

Is it any wonder that so much of public policy is promulgated in ignorance?

'Equality of Rights... Shall Not Be Denied'

Some day the United States Constitution will include the sentence: "Equality of rights under the law shall not be denied or abridged by the United States or any state on account of sex."

The AFL-CIO strongly endorses ratification of the Equal Rights Amendment because it is right . . . because it recognizes the fundamental dignity and individual rights of every human being.

In those state legislatures where the struggle will be focused in these next 12 months, we will testify, we will lobby.

And we will march. You will find the men and women of organized labor in the vanguard of every march for ERA across the country.

We want to see ERA ratified. And we want to put the enemies of equality on notice that this is a fight that we will never abandon.

Together, we will prevail.

—AFL-CIO Sec.-Treas. Thomas R. Donahue in a speech at the ERA Countdown Rally, Washington, D.C., June 30, 1981.

Election Message Distorted

Reagan Administration Bases Program on 'Invented Mandate'

The following is excerpted from an article in the Washington Post, June 28, 1981. The author is senior study director of the 1980 American National Election Study at the University of Michigan's Institute for Social Research.

By Arthur H. Miller

THIS MAY GO DOWN in political annals as the Year of the Invented Mandate.

Treasury Sec. Donald Regan, defending the Administration's three-year tax cut plan, proclaims that the president "was elected on this basis." Vice President George Bush declares that congressional opponents of the president's spending and tax cut proposals would "in effect thwart the mandate of the people."

Budget chief David Stockman adds his assertions that cuts in social programs are dictated by the elections, and Nevada Sen. Paul Laxalt defends anti-abortion, pro-capital punishment and other conservative social causes by contending: "That's what the election was all about. It is part of the Reagan mandate."

ALL THIS MAY or may not be good politics but it certainly is nonsense, and awfully repetitious nonsense at that. If Administration officials are going to keep it up, there is little choice but to repeat back, emphatically: That is not what the election was about. The accumulating evidence makes it quite clear that the November returns provided none of these claimed mandates, just as they did not represent the broader "historic political realignment" that more than a few observers have suggested.

The more limited and tentative messages of the election are particularly evident in the emerging findings of our 1980 American National Election Study at the University of Michigan's Institute for Social Research (ISR). These, I think, bear some scrutiny if we are to avoid, on this and other scores, the kind of inflated rhetoric which is not merely contrary to the majority's wishes but which may ultimately lead us back to deep disillusionment with our political system.

Consider, for example, Sec. Regan's imagined tax mandate. The reality, our study shows, is that less than half the Republicans and independents and only a third of the Democrats who voted for President Reagan favored his three-year tax cut proposal. The president clearly was not "elected on this basis," and later evidence gives no reason to believe his tax plan has inspired more confidence since November.

A NATIONWIDE POLL taken in mid-April by the Los Angeles Times found that less than half of all registered voters interviewed thought a Reagan-style, across-the-board tax cut would get the economy moving again. Similarly, the separate May ISR Survey of Consumer Attitudes showed that only 41 percent of respondents thought they would be better off if President Reagan's plan to reduce federal taxes and spending were enacted.

The same holds for the Administration's across-the-board cuts in social programs. The election provided no "mandate" for this drive, no matter what David Stockman pretends. On the contrary, our study confirms other findings showing that voters in 1980 continued to express their long-standing support for these programs.

NOR HAS ANY significant shift in preferences for social programs been detectable since the election. In April the CBS/New York Times Poll even reported that those identifying themselves as conservatives opposed spending reductions for such programs as the Comprehensive Employment & Training Act (government jobs for the unemployed) or loans to college students, both currently on the Reagan chopping block.

One could scarcely find better evidence of popular opposition to domestic spending reductions, in fact, than the fears of Reagan supporters about voting on individual program cuts in the House budget battle last week.

Least of all can one find evidence of Sen. Laxalt's mythical "mandate" on a social issue like abortion. If it needs saying again, in November, as for a decade, the country was firmly committed to a woman's right to have an abortion.

WHAT DID THE election say? It may leave political theologians on all sides unsatisfied, but the 1980 vote essentially was an expression of growing American worry about inflation and our slipping economic growth, as well as about U.S. military strength and prestige abroad—not a clear endorsement of specific means for solving these universally recognized concerns.

In other words, despite the striking Reagan sweep of the electoral college, the 1980 election was not ideological in terms of issues. Our study shows that ideology in fact played a less important role in 1980 than it did in 1976 to 1972.

A majority of both Carter and Reagan voters, for example, favored increased military spending. But they did not view this suddenly acquired preference—a response to events in Iran and Afghanistan—as a tradeoff for reduced outlays in long-supported domestic social programs. Rather, our study makes clear, military increases were supported *in addition* to domestic programs.

The support for reduced spending that voters did express in the 1980 election, our study shows, was more a response to the belief that waste and incompetence can be cut in all areas, defense as well as domestic, than an ideological rejection of all Great Society programs.

It should be abundantly clear from all this that Reagan did not have a mandate for most of his policies at election time and has not yet succeeded in establishing a popular consensus. The Administration's repeated claims to "mandates" can thus be seen as part of its attempt to in fact create such a consensus today, either by inventing popular wishes or using selective evidence to support its case.

Washington Window

By Press Associates, Inc.

HEADY WITH SUCCESS in pushing its budget and tax program through Congress thus far, the Reagan Administration is expected soon to press for congressional approval of a scheme which a recent study says "would mean the most rapid and massive transfer of money from one sector of the economy to another in American history."

As with the Administration's budget and tax proposals, what one critic called "the missing piece" of the Reagan economic package—the decontrol of natural gas—would benefit the wealthy at the expense of working people and the poor.

In the case of gas decontrol, those who would reap the benefits are those who are least in need—the 20 largest oil conglomerates who own more than 60 percent of the nation's natural gas reserves.

While further bloating the wealth and power of the oil giants, decontrol would result in massive job loss, higher inflation, and extreme hardship for lower income and elderly persons who use natural gas for heating and cooking and who already pay from 35 to 50 percent of their income for energy.

FOR THE 60 PERCENT of American households which depend on gas, prices would at least double—to an average of over $1,000 a year.

These expected consequences are explained in a study prepared by an independent research firm and released in late June by the Citizen/Labor Energy Coalition. The 200-organization coalition is launching an educational and lobbying campaign to fight gas decontrol.

Under current law, natural gas prices will increase each year until 1985, when they will be deregulated and allowed to rise to the equivalent OPEC oil price. The President has the authority to continue controls two years beyond 1985.

During his campaign for President, Reagan advocated gas decontrol. Budget Director David Stockman and Interior Sec. James Watt are pushing for immediate decontrol, an even more extreme alternative to the existing law than accelerated decontrol. Accelerated decontrol would boost gas prices at a much faster rate than the current schedule allows.

UNDER ACCELERATED decontrol, the coalition study warns, 3.4 million jobs would be lost over the next four years in every major sector of the economy: retail and wholesale trade, agriculture, transportation, services, and manufacturing. This is because homeowners and tenants will pay an additional $86 billion for gas and will have that much less to spend on consumer purchases.

Of the 157 industries studied, only three would have a net gain of jobs: oil and gas well drilling, oil and gas exploration, and oil field construction machinery—all of them highly capital intensive rather than job-creating.

Also, business would have less capital available for job-creating investment and revitalization of the economy. Many smaller businesses would be forced to shut down, accelerating the already high rate of bankruptcies.

Decontrol will help only the oil and gas companies which already are awash with record profits far in excess of investment needs. These companies have so much extra cash that they have been busy gobbling up other companies and increasing their already immense economic power.

Their economic power also means political influence, and these energy giants long have been adept at electing their friends to Congress. During the 1980 elections, oil and gas industry PACs spent over $6 million.

The American people must make it clear to Congress that they will not tolerate a huge ripoff which will hurt all consumers and which serves no purpose except to increase further an already dangerous concentration of economic and political power.

Reagan Plan Protested

Proposed Social Security Cuts Heighten Concerns of Workers

UNION MEMBERS are increasingly upset over the Administration's wide-ranging budget slashes, AFL-CIO Vice President John DeConcini declared in a network radio interview.

The proposal for drastic reduction of social security benefits has "struck a very discordant note" among workers, as they realize that the Administration's plan would sweep away much of the retirement protection they have paid for and counted on throughout their working lives, DeConcini said.

DeConcini, president of the Bakery, Confectionery & Tobacco Workers, said the proposed social security cuts will be a major focus of that union's protests in the AFL-CIO Solidarity Day demonstration Sept. 19 in Washington.

Questioned by reporters on Labor News Conference, DeConcini said the union's new emphasis on worker education is helping local union officers, shop stewards and rank-and-file members gain a much better understanding of how the issues fought out in Congress and state legislatures have a direct impact on the quality of their lives and communities. He said the education effort has been a key element in the stepped-up political awareness and activity among the union's membership.

WHILE TECHNOLOGICAL advances have affected many of the jobs in the baking, candy and tobacco industries, DeConcini said, negotiated provisions in the collective bargaining agreements have given the union effective input into manning and other aspects of the automated processes that has helped ease the impact on individual workers.

He said newly established "open and frank discussions" between the American Bakers Association and the union have also produced "very useful exchanges" on both union and industry problems, and that the union intends to continue such communications.



DISCONTENT IS GROWING among workers as they see big chunks of the gains that they and their unions fought for swept away by the Administration's budget slashers, President John DeConcini, center, of the Bakery, Confectionery & Tobacco Workers said. He was questioned on Labor News Conference by Alan Adams, left, of Employment Relations Report and Robert Cooney of Press Associates, Inc. The AFL-CIO produced public affairs interview is aired weekly on Mutual radio.

Key House Vote to Worsen Budget Cuts

The House passed a labor-opposed budget reconciliation bill drawn up by the White House as a substitute for less drastic cutbacks that would have met congressional budget goals. This 217-210 vote on June 25, which defeated the Democratic leadership on a key procedural issue, did the damage.

On labor's scoreboard, right votes (R) were cast by 209 Democrats and, inadvertently, by one Republican. [Republican John T. Myers (R-Ind.) explained that he had meant to cast his vote for the Reagan position.] Voting wrong (W) were 29 Democrats and 188 Republicans.

Numerals show congressional districts. A—absent.

ALABAMA
1. Edwards (R) W
2. Dickinson (R) W
3. Nichols (D) W
4. Bevill (D) R
5. Flippo (D) R
6. Smith (R) W
7. Shelby (D) W

ALASKA
AL Young (R) W

ARIZONA
1. Rhodes (R) W
2. Udall (D) R
3. Stump (D) W
4. Rudd (R) W

ARKANSAS
1. Alexander (D) R
2. Bethune (R) W
3. Hammerschmidt (R) W
4. Anthony (D) R

CALIFORNIA
1. Chappie (R) W
2. Clausen (R) W
3. Matsui (D) R
4. Fazio (D) R
5. Burton, John (D) R
6. Burton, Phillip (D) R
7. Miller (D) R
8. Dellums (D) R
9. Stark (D) R
10. Edwards (D) R
11. Lantos (D) R
12. McCloskey (R) W
13. Mineta (D) R
14. Shumway (R) W
15. Coelho (D) R
16. Panetta (D) R
17. Pashayan (R) W
18. Thomas (R) W
19. Lagomarsino (R) W
20. Goldwater (R) W
21. Fiedler (R) W
22. Moorhead (R) W
23. Beilenson (D) R
24. Waxman (D) R
25. Roybal (D) R
26. Rousselot (R) W
27. Dornan (R) W
28. Dixon (D) R
29. Hawkins (D) R
30. Danielson (D) A
31. Dymally (D) R
32. Anderson (D) R
33. Grisham (R) W
34. Lungren (R) W
35. Dreier (R) W
36. Brown (D) R
37. Lewis (R) A
38. Patterson (D) R
39. Dannemeyer (R) W
40. Badham (R) W
41. Lowery (R) W
42. Hunter (R) W
43. Burgener (R) W

COLORADO
1. Schroeder (D) R
2. Wirth (D) R
3. Kogovsek (D) R
4. Brown (R) W
5. Kramer (R) W

CONNECTICUT
1. Cotter (D) A
2. Gejdenson (D) R
3. DeNardis (R) W
4. McKinney (R) W
5. Ratchford (D) R
6. Moffett (D) R

DELAWARE
AL Evans (R) W

FLORIDA
1. Hutto (D) W
2. Fuqua (D) R
3. Bennett (D) W
4. Chappell (D) W
5. McCollum (R) W
6. Young (R) W
7. Gibbons (D) R
8. Ireland (D) W
9. Nelson (D) R
10. Bafalis (R) W
11. Mica (D) R
12. Shaw (R) W
13. Lehman (D) R
14. Pepper (D) R
15. Fascell (D) R

GEORGIA
1. Ginn (D) R
2. Hatcher (D) R
3. Brinkley (D) R
4. Levitas (D) R
5. Fowler (D) R
6. Gingrich (R) W
7. McDonald (D) W
8. Evans (D) W
9. Jenkins (D) R
10. Barnard (D) W

HAWAII
1. Heftel (D) R
2. Akaka (D) R

IDAHO
1. Craig (R) W
2. Hansen (R) W

ILLINOIS
1. Washington (D) R
2. Savage (D) R
3. Russo (D) R
4. Derwinski (R) W
5. Fary (D) R
6. Hyde (R) W
7. Collins (D) R
8. Rostenkowski (D) R
9. Yates (D) R
10. Porter (R) W
11. Annunzio (D) R
12. Crane, Philip (R) W
13. McClory (R) W
14. Erlenborn (R) W
15. Corcoran (R) W
16. Martin (R) W
17. O'Brien (R) W
18. Michel (R) W
19. Railsback (R) W
20. Findley (R) W
21. Madigan (R) W
22. Crane, Dan (R) W
23. Price (D) R
24. Simon (D) R

INDIANA
1. Benjamin (D) R
2. Fithian (D) R
3. Hiler (R) W
4. Coats (R) W
5. Hillis (R) W
6. Evans (D) R
7. Myers (R) R
8. Deckard (R) W
9. Hamilton (D) R
10. Sharp (D) R
11. Jacobs (D) R

IOWA
1. Leach (R) W
2. Tauke (R) W
3. Evans (R) W
4. Smith (D) R
5. Harkin (D) R
6. Bedell (D) R

KANSAS
1. Roberts (R) W
2. Jeffries (R) W
3. Winn (R) W
4. Glickman (D) R
5. Whittaker (R) W

KENTUCKY
1. Hubbard (D) R
2. Natcher (D) R
3. Mazzoli (D) R
4. Snyder (R) W
5. Rogers (R) W
6. Hopkins (R) W
7. Perkins (D) R

LOUISIANA
1. Livingston (R) W
2. Boggs (D) R
3. Tauzin (D) W
4. Roemer (D) W
5. Huckaby (D) W
6. Moore (R) W
7. Breaux (D) W
8. Long (D) R

MAINE
1. Emery (R) W
2. Snowe (R) W

MARYLAND
1. Dyson (D) R
2. Long (D) R
3. Mikulski (D) R
4. Holt (R) W
5. Hoyer (D) R
6. Byron (D) W
7. Mitchell (D) R
8. Barnes (D) R

MASSACHUSETTS
1. Conte (R) W
2. Boland (D) R
3. Early (D) R
4. Frank (D) R
5. Shannon (D) R
6. Mavroules (D) R
7. Markey (D) R
8. O'Neill (D) Speaker
9. Moakley (D) R
10. Heckler (R) W
11. Donnelly (D) R
12. Studds (D) R

MICHIGAN
1. Conyers (D) A
2. Pursell (R) W
3. Wolpe (D) R
4. Siljander (R) W
5. Sawyer (R) W
6. Dunn (R) W
7. Kildee (D) R
8. Traxler (D) R
9. Vander Jagt (R) W
10. Albosta (D) R
11. Davis (R) W
12. Bonior (D) R
13. Crockett (D) R
14. Hertel (D) R
15. Ford (D) R
16. Dingell (D) R
17. Brodhead (D) R
18. Blanchard (D) R
19. Broomfield (R) W

MINNESOTA
1. Erdahl (R) W
2. Hagedorn (R) W
3. Frenzel (R) W
4. Vento (D) R
5. Sabo (D) R
6. Weber (R) W
7. Stangeland (R) W
8. Oberstar (D) R

MISSISSIPPI
1. Whitten (D) R
2. Bowen (D) R
3. Montgomery (D) W
4. Vacancy
5. Lott (R) W

MISSOURI
1. Clay (D) R
2. Young (D) R
3. Gephardt (D) R
4. Skelton (D) R
5. Bolling (D) R
6. Coleman (R) W
7. Taylor (R) W
8. Bailey (R) W
9. Volkmer (D) R
10. Emerson (R) W

MONTANA
1. Williams (D) R
2. Marlenee (R) W

NEBRASKA
1. Bereuter (R) W
2. Daub (R) W
3. Smith (R) W

NEVADA
AL Santini (D) W

NEW HAMPSHIRE
1. D'Amours (D) R
2. Gregg (R) W

NEW JERSEY
1. Florio (D) R
2. Hughes (D) R
3. Howard (D) R
4. Smith (R) W
5. Fenwick (R) W
6. Forsythe (R) W
7. Roukema (R) W
8. Roe (D) R
9. Hollenbeck (R) W
10. Rodino (D) R
11. Minish (D) R
12. Rinaldo (R) W
13. Courter (R) W
14. Guarini (D) R
15. Dwyer (D) R

NEW MEXICO
1. Lujan (R) W
2. Skeen (R) W

NEW YORK
1. Carney (R) W
2. Downey (D) R
3. Carman (R) W
4. Lent (R) W
5. McGrath (R) W
6. LeBoutillier (R) W
7. Addabbo (D) R
8. Rosenthal (D) R
9. Ferraro (D) R
10. Biaggi (D) R
11. Scheuer (D) R
12. Chisholm (D) R
13. Solarz (D) R
14. Richmond (D) R
15. Zeferetti (D) R
16. Schumer (D) R
17. Molinari (R) W
18. Green (R) W
19. Rangel (D) R
20. Weiss (D) R
21. Garcia (D) R
22. Bingham (D) R
23. Peyser (D) R
24. Ottinger (D) R
25. Fish (R) W
26. Gilman (R) W
27. McHugh (D) R
28. Stratton (D) R
29. Solomon (R) W
30. Martin (R) W
31. Mitchell (R) W
32. Wortley (R) W
33. Lee (R) W
34. Horton (R) W
35. Conable (R) W
36. LaFalce (D) R
37. Nowak (D) R
38. Kemp (R) W
39. Lundine (D) R

NORTH CAROLINA
1. Jones (D) R
2. Fountain (D) R
3. Whitley (D) R
4. Andrews (D) R
5. Neal (D) R
6. Johnston (R) W
7. Rose (D) R
8. Hefner (D) R
9. Martin (R) W
10. Broyhill (R) W
11. Hendon (R) W

NORTH DAKOTA
AL Dorgan (D) R

OHIO
1. Gradison (R) W
2. Luken (D) R
3. Hall (D) R
4. Vacancy
5. Latta (R) W
6. McEwen (R) W
7. Brown (R) W
8. Kindness (R) W
9. Weber (R) W
10. Miller (R) W
11. Stanton (R) W
12. Shamansky (D) R
13. Pease (D) R
14. Seiberling (D) R
15. Wylie (R) W
16. Regula (R) W
17. Ashbrook (R) W
18. Applegate (D) R
19. Williams (R) W
20. Oakar (D) R
21. Stokes (D) R
22. Eckart (D) R
23. Mottl (D) W

OKLAHOMA
1. Jones (D) R
2. Synar (D) R
3. Watkins (D) R
4. McCurdy (D) R
5. Edwards (R) W
6. English (D) R

OREGON
1. AuCoin (D) R
2. Smith (R) W
3. Wyden (D) R
4. Weaver (D) R

PENNSYLVANIA
1. Foglietta (D) R
2. Gray (D) R
3. Vacancy
4. Dougherty (R) W
5. Schulze (R) W
6. Yatron (D) R
7. Edgar (D) R
8. Coyne, James (R) W
9. Shuster (R) W
10. McDade (R) W
11. Nelligan (R) W
12. Murtha (D) R
13. Coughlin (R) W
14. Coyne, William (D) R
15. Ritter (R) W
16. Walker (R) W
17. Ertel (D) R
18. Walgren (D) R
19. Goodling (R) W
20. Gaydos (D) R
21. Bailey (D) R
22. Murphy (D) R
23. Clinger (R) W
24. Marks (R) W
25. Atkinson (D) W

RHODE ISLAND
1. St Germain (D) R
2. Schneider (R) W

SOUTH CAROLINA
1. Hartnett (R) W
2. Spence (R) W
3. Derrick (D) R
4. Campbell (R) W
5. Holland (D) R
6. Napier (R) W

SOUTH DAKOTA
1. Daschle (D) R
2. Roberts (R) W

TENNESSEE
1. Quillen (R) W
2. Duncan (R) W
3. Bouquard (D) R
4. Gore (D) R
5. Boner (D) R
6. Beard (R) W
7. Jones (D) R
8. Ford (D) R

TEXAS
1. Hall, Sam (D) W
2. Wilson (D) W
3. Collins (R) W
4. Hall, Ralph (D) W
5. Mattox (D) R
6. Gramm (D) W
7. Archer (R) W
8. Fields (R) W
9. Brooks (D) R
10. Pickle (D) R
11. Leath (D) W
12. Wright (D) R
13. Hightower (D) W
14. Patman (D) R
15. de la Garza (D) R
16. White (D) W
17. Stenholm (D) W
18. Leland (D) R
19. Hance (D) W
20. Gonzalez (D) R
21. Loeffler (R) W
22. Paul (R) W
23. Kazen (D) R
24. Frost (D) R

UTAH
1. Hansen (R) W
2. Marriott (R) W

VERMONT
AL Jeffords (R) W

VIRGINIA
1. Trible (R) W
2. Whitehurst (R) W
3. Bliley (R) W
4. Daniel, Robert (R) W
5. Daniel, Dan (D) W
6. Butler (R) W
7. Robinson (R) W
8. Parris (R) W
9. Wampler (R) W
10. Wolf (R) W

WASHINGTON
1. Pritchard (R) W
2. Swift (D) R
3. Bonker (D) R
4. Morrison (R) W
5. Foley (D) R
6. Dicks (D) R
7. Lowry (D) R

WEST VIRGINIA
1. Mollohan (D) R
2. Benedict (R) W
3. Staton (R) W
4. Rahall (D) R

WISCONSIN
1. Aspin (D) R
2. Kastenmeier (D) R
3. Gunderson (R) W
4. Zablocki (D) R
5. Reuss (D) R
6. Petri (R) W
7. Obey (D) R
8. Roth (R) W
9. Sensenbrenner (R) W

WYOMING
AL Cheney (R) W

Appellate Decision Final

Supreme Court Clears Lead Hazard Standard

(Continued from Page 1)

gineering controls and to implement work practice provisions "now that the standard has been approved in its entirety."

McBride also called on the Labor Dept. to "stop fooling around" and start enforcing the regulations.

LABOR WELCOMED the court's actions as back-to-back victories that mandate OSHA and the Administration to fully enforce the congressional intent of the 1970 federal job safety law.

"The Supreme Court has once again properly placed the health of workers ahead of the profits of employers," said George H. R. Taylor, the federation's job safety director.

"Of particular importance to the 800,000 workers exposed to lead on the job is that the standard contains a key provision providing medical removal of a worker from excessive exposure to lead to another job within the workplace with less exposure —without loss of pay or other rights," Taylor pointed out.

THE JUSTICES rejected the industry-Administration challenges without comment in denying review of a federal appeals court decision upholding the Carter Administration's lead standard.

The lead industry attempted to block implementation of the standard the day it was issued in 1978. The Reagan Administration leaped to industry's side in April, asking the Supreme Court to vacate the appellate court ruling.

Two days after the Supreme Court action, Assistant Labor Sec. Thorne G. Auchter, ordered a 21-day delay of a lower "trigger level" for medical removal of workers in the primary and secondary lead smelting industries.

The medical removal protection provision requires a worker be transferred to a less hazardous job when the lead content in his blood reaches a critical level.

ON THREE earlier occasions, Auchter had delayed lowering the trigger levels for all industries other than primary and secondary smelters.

Lead poisoning, resulting from high levels of exposure to the metal, can result in anemia, kidney failure, nervous system disorders, brain damage and death.

In upholding the standard last August, the U.S. Court of Appeals for the District of Columbia pointed out that OSHA had presented "voluminous evidence" of the harmful effect of lead.

THE STANDARD, which went into effect in February 1979, set up a 10-year timetable for industry to reduce exposing levels in steps from 200 micrograms of lead per cubic meter of air to 50 micrograms during an eight-hour shift.

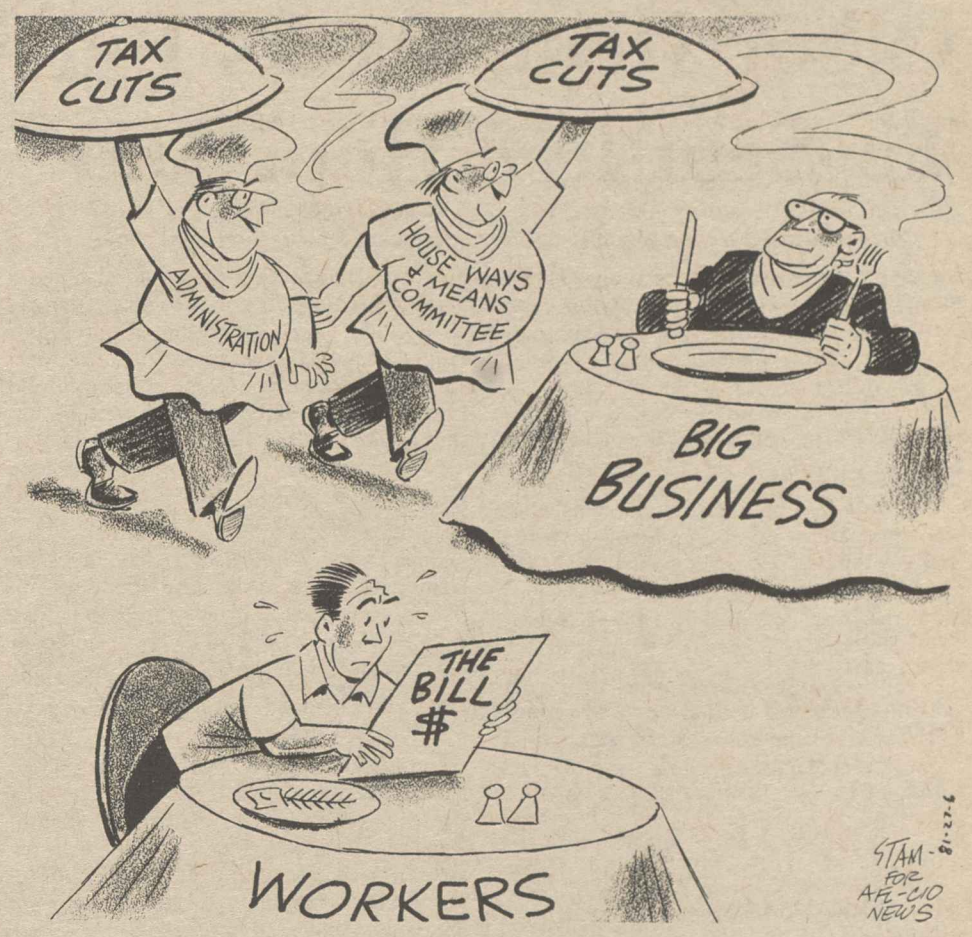
In the early stages, exposure reductions could be achieved through the use of respirators by workers. In later stages, engineering controls, hygiene facilities and work practices must be used to achieve exposure limits.

In another area vital to worker on-the-job safeguards, the AFL-CIO charged in a federal appeals court action that the Administration illegally postponed implementation of an OSHA hearing conservation program.

THE PROGRAM was developed shortly before the Carter Administration left office and was to have taken effect on Apr. 15. But Auchter first pushed back the effective date to June 1 and has since postponed the start of the program to Aug. 1.

Under the program, employers would be required to reduce noise levels in workplaces from the current 90-decibel limit to 85 decibels through the use of hearing protectors, audiometric testing, training and monitoring.

'Just the Way You Like Them!'



Reagan Budget Cut Package Approved Intact by House

(Continued from Page 1)

the Democrats who broke with their party and a number of Republicans who were wavering on the issue. The architect of the substitute bill, Office of Management & Budget Director David A. Stockman, then would make "adjustments" to the bill if necessary to assure a vote. But Stockman told reporters that the changes were only marginal. "Considerations and adjustments" are always factors in a close vote, he said.

WHATEVER THE cause, the scene on the House floor when the Republican substitute was brought up was one of confusion. A thick photo copy of what purported to be the GOP substitute appeared to write into law the phone number of a congressional budget aide. Hand-written inserts were indecipherable. No one was sure whether a law giving blind vendors the right to operate candy stands in government buildings was being repealed. Estimates of "savings" to be achieved by the reconciliation bill varied by as much as $2.6 billion.

The House began a 10-day Fourth of July vacation period the next day, leaving committee staffs to plow through hundreds of pages of small type in the Congressional Record to find out what the House had wrought.

It appeared that the House-passed version would impose a means test for student loans, as well as a 4-percent "origination fee." The House-passed bill would eliminate the social security minimum benefit of $122 for all persons now on the rolls, while the original Democratic bill would have applied only to future recipients.

FEWER CHILDREN would be eligible for school lunches and for aid-to-dependent-children welfare payments because of tightened eligibility. Both federal civilian and military retirees would lose one of their two cost-of-living adjustments each year. The 1982 pay raise for government employees, set at 5.8 percent in the original House bill, would be cut to 4.8 percent under the GOP substitute.

Despite the philosophic affinities between the House and Senate versions, differences in details are so great that a House-Senate conference will be a lengthy process.

House Speaker Thomas P. O'Neill, Jr. (D-Mass.) said Democrats will try to use the conference procedure to mitigate some of the damage done by the Republican budget reconciliation substitute. He said House committees may also hold unique "after-the-fact" hearings to focus attention on the severe cuts imposed by the hastily adopted substitute.

OF THE DEMOCRATS who gave the Republicans their margin of victory, O'Neill suggested that "in decency, some of those fellows should resign from the Democratic caucus."

But Rep. Delbert L. Latta (R-Ohio), the chief GOP spokesman during the budget debate, warned that the Democratic leadership in the House is in for more setbacks unless the party "takes a turn to the right."

Tucson Student Awarded AFL-CIO History Prize

A paper on the Haymarket Square Riots of 1886 earned high school student Clay Gary of Tucson, Ariz., a special prize from the AFL-CIO at National History Day ceremonies at the University of Maryland.

The award, including a $200 cash prize, was presented by James Auerbach of the federation's Dept. of Education. Auerbach serves on the board of directors of the National History Day competition, which brought more than 800 finalists to the Washington, D.C., area for the three-day event. Gary, an 11th grader, was among some 50,000 participants from 30 states.

Eugene A. Kelly Dies, Retired News Staffer

Cleveland—Eugene A. Kelly, a former assistant editor of the AFL-CIO News, died June 27 at Lake County Memorial Hospital where he was being treated for pneumonia. Kelly, who was 80, retired from the AFL-CIO staff in 1971.

He was a founding member of the Newspaper Guild's Local 1, which he served as president and in other executive positions for 15 years. He also was a member of the Cleveland Federation of Teachers.

In a message to his family, AFL-CIO President Lane Kirkland said Kelly will be remembered as a talented newspaperman and an unswerving trade unionist.

"His talents enhanced the AFL-CIO's publications, and each of us who had the pleasure of working with Gene remembers him as a friend," Kirkland said.

Kelly worked as a reporter on all the major Cleveland dailies—the Plain Dealer, the Press, as well as the old News and the Times—during a 37-year span. He joined the AFL-CIO News staff in 1960.

Survivors include his wife, Marguerite, and a son, the Rev. Justin J. Kelly, S.J.

Senate Vote on Eliminating Social Security Minimum

One of the "savings" adopted by the Senate as part of its budget reconciliation bill eliminates the minimum social security retirement benefit, which assures that persons who have worked long enough to qualify for social security payments will get at least $122 a month.

The Senate on June 23 rejected, 53-45, a labor-supported amendment by Sen. Donald W. Riegle, Jr. (D-Mich.) to retain the minimum benefit for those now receiving it.

FOR LABOR'S POSITION

Democrats 41

Baucus (Mont.)	DeConcini (Ariz.)	Inouye (Hawaii)	Mitchell (Me.)
Bentsen (Tex.)	Dixon (Ill.)	Jackson (Wash.)	Moynihan (N.Y.)
Biden (Del.)	Dodd (Conn.)	Johnston (La.)	Pell (R.I.)
Boren (Okla.)	Eagleton (Mo.)	Kennedy (Mass.)	Pryor (Ark.)
Bradley (N.J.)	Exon (Neb.)	Leahy (Vt.)	Randolph (W.Va.)
Bumpers (Ark.)	Ford (Ky.)	Levin (Mich.)	Riegle (Mich.)
Burdick (N.D.)	Glenn (Ohio)	Long (La.)	Sarbanes (Md.)
Byrd, R. (W.Va.)	Hart (Colo.)	Matsunaga (Hawaii)	Sasser (Tenn.)
Chiles (Fla.)	Heflin (Ala.)	Melcher (Mont.)	Tsongas (Mass.)
Cranston (Calif.)	Huddleston (Ky.)	Metzenbaum (Ohio)	Williams (N.J.)
			Zorinsky (Neb.)

Republicans 4

Hawkins (Fla.)	Pressler (S.D.)	Specter (Pa.)	Weicker (Conn.)

AGAINST LABOR'S POSITION

Democrats 5

Byrd, H. (Va.)	Nunn (Ga.)	Proxmire (Wis.)	Stennis (Miss.)
Hollings (S.C.)			

Republicans 48

Abdnor (S.D.)	Domenici (N.M.)	Humphrey (N.H.)	Quayle (Ind.)
Andrews (N.D.)	Durenberger (Minn.)	Jepsen (Iowa)	Roth (Del.)
Armstrong (Colo.)	East (N.C.)	Kassebaum (Kan.)	Rudman (N.H.)
Baker (Tenn.)	Garn (Utah)	Kasten (Wis.)	Schmitt (N.M.)
Boschwitz (Minn.)	Goldwater (Ariz.)	Lugar (Ind.)	Simpson (Wyo.)
Chafee (R.I.)	Gorton (Wash.)	Mathias (Md.)	Stafford (Vt.)
Cochran (Miss.)	Grassley (Iowa)	Mattingly (Ga.)	Stevens (Alaska)
Cohen (Me.)	Hatch (Utah)	McClure (Ida.)	Symms (Ida.)
D'Amato (N.Y.)	Hatfield (Ore.)	Murkowski (Alaska)	Thurmond (S.C.)
Danforth (Miss.)	Hayakawa (Calif.)	Nickles (Okla.)	Tower (Tex.)
Denton (Ala.)	Heinz (Pa.)	Packwood (Ore.)	Wallop (Wyo.)
Dole (Kan.)	Helms (N.C.)	Percy (Ill.)	Warner (Va.)

Absent: Cannon (D-Nev.); Laxalt (R-Nev.)

Repeal Bill Endorsed

Labor Dept. Backs Bid To Scuttle 8-Hour Day

(Continued from Page 1)

ribbon group established by Congress, before taking a stand on the issue. The commission's report, submitted in late May, concluded that a lower youth wage would violate the principle of equal pay for equal work. And it warned that any decrease in teen-age unemployment would be offset by a rise in adult joblessness.

But at a recent breakfast meeting with reporters, Donovan was quoted as saying that he hoped to send a youth wage differential bill to Congress this fall as "part of a package" of Administration legislative proposals.

At his meeting with reporters, Donovan said the Administration is opposed to outright repeal of the Davis-Bacon Act, which requires contractors on federally-financed construction to pay prevailing wages.

Donovan said he is "hopeful" that the objectives of those who want to repeal the 50-year-old law can be achieved "administratively" through rewriting the regulations.

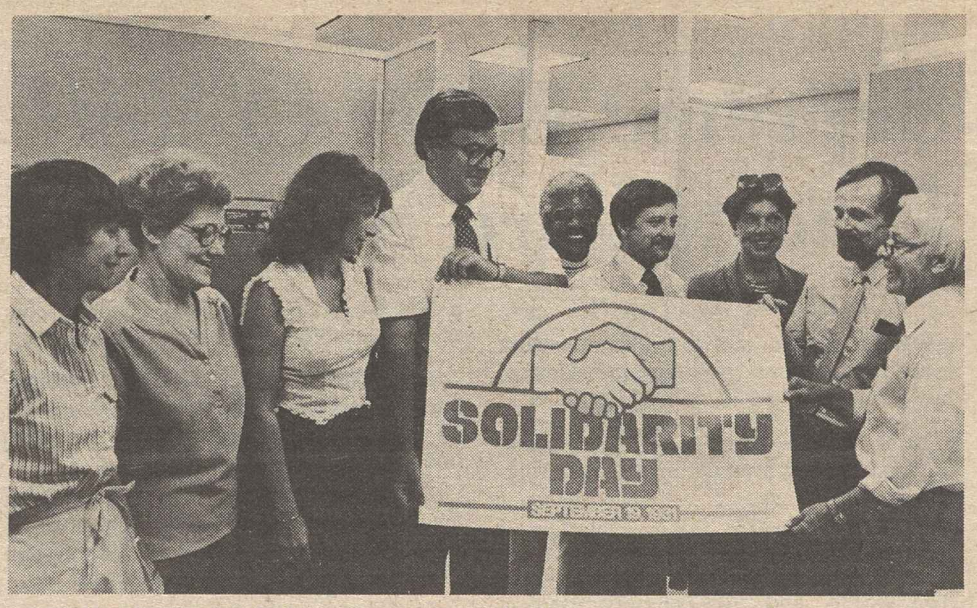
THE LABOR DEPT. has extended to July 15 its timetable for regulatory changes, and there have been press reports that the Office of Management & Budget feels that the original Labor Dept. proposals do not go far enough. An OMB spokesman was quoted in the Wall Street Journal as voicing disappointment "that the prospective savings aren't greater."

The Administration has not yet taken a formal position on congressional attempts to exclude various government programs from Davis-Bacon requirements. The most immediate threat is an amendment written into a pending military construction authorization bill by the Senate Armed Service Committee that would eliminate Davis-Bacon jurisdiction on military construction contracts.

The Labor Dept. also postponed its rewriting of rules prohibiting job discrimination in federal contracts after the Business Roundtable and other large employer groups indicated dissatisfaction with the initial draft.

DURING THE early months of the congressional session, when the key budget battles were being fought, the Administration's policy was to discourage Republican right-wingers from pushing controversial legislation that did not bear directly on the President's economic program and might "distract" Congress.

Whether or not the policy has been relaxed, Sen. Roger W. Jepsen (R-Iowa) introduced with a flourish a bill being pressed by the National Right to Work Committee to make the union shop illegal under both the National Labor Relations Act and the National Railway Labor Act. A companion measure has been introduced in the House by Rep. Mickey Edwards (R-Okla.).



SOLIDARITY DAY Coordinator John Perkins and staff members assigned to various phases of the AFL-CIO's Sept. 19 demonstration in Washington, display blow-up of official emblem of the event. From left: Maureen Houston, Janet Hyland, Maria Boyle, Perkins, Wilbert Williams, Kevin Kistler, Frances Kenin, Dick Wilson and Charlie Hughes. Also on the staff is Marvin Caplan.

Jobless Rate Dips to 7.3% Despite Employment Decline

Despite an 840,000 drop in the total number of employed persons, the nation's jobless rate last month dipped to 7.3 percent, from 7.6 percent the month before. The Bureau of Labor Statistics cautioned, however, that "we should not draw definitive conclusions about the economy from these data" because of technical swings in the figures.

"It may be that earlier-than-usual school closings increased the supply of job seekers in May, leaving fewer to enter the labor market in June," BLS Commissioner Janet L. Norwood said in a statement. "This may have exaggerated the seasonally adjusted changes in the unemployment rates for May and June."

UNEMPLOYMENT traditionally rises in June as large numbers of young people enter the workforce and either find jobs or continue to search for work. This June, BLS's seasonally adjusted figures showed the largest shrinkage in the civilian labor force on record, 1.2 million.

Workers between the ages of 16 and 24, who make up only one-fifth of the labor force, accounted for four-fifths of the seasonally adjusted drop in the labor force, BLS said, another indication of the skewing of the June data.

The huge drop in total employment over the month, 840,000, was more than during the sharp recessions of last year and the mid-1970s. BLS analyst Jack Bregger said that obvious discrepancies in the June figures probably would be ironed out later in the year when the data are revised in the bureau's annual seasonal adjustment correction process.

Last month's jobless rate was a return to the rate that had prevailed in February, March, and April.

THE SHARPEST DROP occurred among 20-to-24-year-old men. Their jobless rate fell from 12.9 to 12.1 percent over the month. The unemployment rate for white workers declined four-tenths of 1 percent to 6.4 percent, and the rate for black and other minority workers edged up from 13.6 to 14.2 percent. The jobless rate for workers of Hispanic origin remained at 10.2 percent.

Workers unemployed 15 weeks or more increased 183,000 to 1,205,000 during June, while the number unemployed between five and 15 weeks fell 221,000 to 2,360,000.

BLS said the number of "discouraged" workers—those who want to work but say they have given up looking for a job—declined by about 100,000 from April through June, but was still above levels before last year's recession.

7/4/81

Correspondence about address corrections should be sent with attached mailing label to: Subscriptions, Room 209, 815 16th Street, N.W., Washington, D.C. 20006.

New Job Losses Forecast As Shoe Import Curbs End

(Continued from Page 1)

Asian countries. The ITC had recommended the continuation of import relief, as had the AFL-CIO.

ACTWU and UFCW together represent about half the domestic shoe industry's quarter-million workers.

AFL-CIO President Lane Kirkland, in a letter to Reagan urging extension of the import relief program for three years, noted that the purpose of the quotas was to allow the industry sufficient time to adjust to new conditions of competition.

"The shoe industry is on the road to recovery, largely as a result of efforts it has undertaken during the import relief period," Kirkland observed. "Premature termination of import relief will seriously impede, if not destroy, the industry's recovery process."

REAGAN'S ACTION meant that the four-year-old import restrictions on shipments to the United States of non-rubber shoes from Taiwan and South Korea ended at midnight June 30. The domestic shoe industry, along with the unions, had sought an extension, contending that an end to the quotas would hurt U.S. manufacturers and result in job losses.

A labor-management coalition, consisting of the American Footwear Industries Association, ACTWU and UFCW, decried the President's decision.

Arnold Hiatt, chairman of the American Footwear Industries Association, said the original purpose of the import relief program was to provide U.S. shoe makers with a "breathing space" while the industry undertook fundamental steps of revitalization.

During the last four years, the domestic footwear industry has substantially increased spending for capital facilities, research and development, export promotion, marketing and in other areas to increase productivity and competitiveness, he said.

The White House said it based its decision against continuing import restrictions on the Administration's commitment to free trade and in the belief that an end to the quotas would reduce inflation.

IN THEIR statement, Finley and Sheinkman noted that imports accounted for 53 percent of the U.S. market in the first quarter of 1981, or 6 percentage points higher than when import relief was first granted in 1977.

"The loss of only 1 percent in market share by the domestic industry to imports translates into nearly $60 million in revenue which otherwise would be pumped into the U.S. economy," they observed. "The consequence to taxpayers will be to add substantially greater amounts to be paid out in unemployment insurance and welfare payments to unemployed shoe workers," they warned.

Allen Zack Leaves Information Post

Allen Y. Zack, 36, has resigned as assistant director of the AFL-CIO Dept. of Information, effective July 3, to become a senior associate of the Kamber Group, a Washington public relations firm that represents a number of unions.

Zack was previously assistant director of public relations from 1975 until that department merged with the Dept. of Publications in January 1980. He first joined the federation staff in 1970.

Zack served as secretary-treasurer of the International Labor Press Association from 1975 until this past January, and has led ILPA's efforts to achieve equitable postage rates for labor publications. He also coordinated the communications campaign in the successful 1978 effort to defeat a so-called right-to-work initiative in Missouri.

Postal Employees Protest Contract Stall

Thousands of union postal employees demonstrated from coast to coast June 25 to gain public support for their contract talks with the U.S. Postal Service and to show their displeasure with Postmaster General William F. Bolger's stalling tactics.

At post offices and postal facilities, members of the Letter Carriers, the Postal Workers, and the Mail Handlers division of the Laborers engaged in informational picketing during what was billed as Postal Solidarity Day.

"MORE POSTMASTER and less general," read placards held by demonstrators in Grand Rapids, Mich. "Bolger negotiate, not agitate," and "people deliver mail, not postmasters," others read.

Bolger incurred the ire of workers for having delayed talks for two months while trying to get the National Labor Relations Board to name one of the four postal unions currently engaged in bargaining with the USPS as the sole representative of the nearly 600,000 employees involved in the talks. He lost the battle, clearing the way for the opening of negotiations last week.

APWU PRESIDENT Moe Biller took an optimistic posture in speaking to several hundred workers who marched in 98-degree heat in the nation's capital.

"There is no reason why we cannot reach a contract by July 20," said Biller. The APWU and the NALC together represent about 500,000 postal employees. The unions' current three-year agreements expire on July 20.

Biller said the informational picketing was designed to bring Bolger to the collective bargaining table and to inform the American public about "his shameful conduct of labor relations."

IN A STATEMENT to APWU members, Biller said the turnout was "beyond belief." New York Metro, APWU's largest local, reported the largest demonstration in its history, he said.

Bolger's "high-handed arrogance" will not succeed, Biller predicted. "We will stand united against his tactics. We will ask the American people to join with us in demanding that he live up to his responsibility and negotiate with our unions," he said.

Also involved in the negotiations with the Postal Service is the unaffiliated National Rural Letter Carriers' Association. The main issues in the talks are wages and fringe benefits, safety, and the impact of automation on job security.

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Senate Panel Toes Reagan Tax Cut Line

White House strategists are looking to the conservative coalition that rammed through the massive budget cuts to provide the votes for tax reductions tilted heavily to corporations and wealthy investors.

It won an easy victory in the Senate Finance Committee, which kept close to the Administration script in fashioning a bill that would drop the corporate share of the tax burden to a minuscule 7 percent of total tax revenue and reward individuals in the highest income tax brackets with a disproportionate share of the tax reductions.

DEMOCRATS ON the committee made some desultory attempts to lessen the inequities, but only Sen. Bill Bradley (D-N.J.) voted against the bill.

Under the Constitution, revenue bills must originate in the House. But the Senate committee left open the possibility of circumventing that mandate by attaching its bill to an unrelated House-passed debt limit measure.

The House Ways & Means Committee, meanwhile, has tentatively approved a different package of business tax cuts which the AFL-CIO protested are at least as bad as those the Administration sought. But the committee's Democratic majority is still struggling to come up with individual tax reductions that Chairman Dan Rostenkowski (D-Ill.) promised would be "fairer" than the Administration plan.

THE SENATE committee bill follows the Administration formula of a 5 percent individual tax cut effective next Oct. 1, an additional 10 percent cut on July 1, 1982, and a final 10 percent reduction on July 1, 1983.

It also would reduce the maximum tax rate on unearned investment income, lower further the capital gains tax, allow a higher deduction for two-income couples, and provide an assortment of additional credits and deductions for groups such as holders of oil and gas royalties and persons putting money into retirement accounts.

Over the next five years, according to an AFL-CIO analysis, the federal government will lose $169.3 billion in business tax breaks "which amount to repealing the corporate income tax and benefit primarily the largest and most prosperous corporations . . . providing windfall tax breaks to firms for doing what they would do anyway."

ON THE individual income tax cuts, the AFL-CIO figures show that for the year 1982, the 59 million taxpayers with incomes of $30,000 or less would receive an average cut of $213. The total would amount to $12.6 billion.

Nearly as much in total reductions—$12.4 billion—would go to the 4.4 million taxpayers with incomes over $50,000. Their average savings would be $2,844.

The White House is pressing for action by the House as well as the Senate before

(Continued on Page 6)

'Scare Tactics' Charged To Social Security Foes



STEELWORKERS PRESIDENT Lloyd McBride was honored for his commitment to union, national and world democracy with the 76th anniversary award of the League for Industrial Democracy, presented by AFL-CIO Sec.-Treas. Thomas R. Donahue. Participating in the ceremony were, from left, LID President Thomas R. Brooks, McBride, Donahue, and LID Executive Director Arch Puddington. **(Story, Page 3.)**

Labor Cites Ready Cure For Deficit

The AFL-CIO challenged the scare tactics being used by the Reagan Administration to justify its proposed cutbacks in social security protections and called on Congress to allay fears by guaranteeing payment of all earned benefits.

"We do not accept the unfounded allegations that the system is bankrupt now or will be in the future," AFL-CIO Social Security Director Bert Seidman testified before a Senate Finance subcommittee.

CHAIRMAN William Armstrong (R-Colo.) had opened the hearing with a warning that "social security is going broke." His source was a gloomy report by the three social security trustees—all members of the Reagan Cabinet—that the system will run out of money if unemployment and inflation stay high.

Seidman retorted that the immediate funding problems can be overcome without cutting back benefits, and the solution recommended by the AFL-CIO—using general revenues to fund 50 percent of Medicare hospitalization insurance—"would finance the various social security programs well into the next century."

Seidman accused the Administration of exaggerating the system's temporary funding imbalance in order to twist the social security program "to serve its political, philosophical and budget objectives." The proposals the Administration has made "go far beyond legitimate concern about the program's financing," he testified.

DEMOCRATS ON the subcommittee suggested that the Administration wants to cut down social security benefits far deeper than would be needed to keep the program solvent so that the surplus funds could be used to reduce the federal budget deficit. Social security payroll taxes show up on the revenue side of the budget; benefit payments are shown as expenditures.

(Continued on Page 7)

Kirkland Warning:

Administration Steering Toward Social Disaster

Boston—The Reagan Administration is steering the nation toward "social disaster" and it's up to the labor movement to sound the alarm, AFL-CIO President Lane Kirkland told the Communications Workers convention here.

Kirkland called for building coalitions with labor's allies in every congressional district, as well as nationally.

LABOR STILL has some friends in Congress, "timid though they may be," he said. But a showing of back-home support can "put a little iron in their backbones."

As for labor's foes, they should be "returned as soon as possible to private life" and replaced on Capitol Hill with those "who share our values."

America's workers are bleeding from the Reagan Administration's budget slashes, Kirkland said, and unions can't afford to sit on the sidelines until the political climate improves.

The Solidarity Day demonstration in Washington on Sept. 19 will "show those who have written off the labor movement that we have lost none of our driving force," he predicted.

KIRKLAND STRESSED the importance of making sure America's workers understand the issues in "human terms" and are not fooled "by right-wing economic fakers."

It is America's workers who are endangered by the crippling of OSHA and the dismantling of safety and health regulations, Kirkland reminded the delegates.

It is workers "whose children's schools will deteriorate" and whose neighborhoods will lose police and fire protection "because of the strangulation of federal aid to the states and cities and the destruction of federal job programs."

RETIRED AND disabled workers "are the targets of the efforts to put the social security system on the budgetary chopping block," he pointed out.

The Reagan Administration is seeking to dismantle "the social programs that hold together the relatively humane society that the labor movement has helped to build in the last half century," Kirkland warned.

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Solidarity Day to Put Focus On Impact of Reagan's Cuts

Organized labor's Solidarity Day protest set for Sept. 19 in Washington will draw into focus the frustration of millions of Americans over the Reagan Administration's plans to turn back the clock on 50 years of social and economic progress, AFL-CIO Sec.-Treas. Thomas R. Donahue declared in a network radio interview.

Between now and September, Donahue predicted, more and more Americans will become aware of the harmful results of the Reagan Budget cuts and the generally bad effect of the President's proposed tax cuts on the economy.

THE PLANNED demonstration in Washington ought to have a telling effect on the Administration and a more important effect on the people's representatives in Congress, Donahue said on Labor News Conference. The protest should "make them understand a little better than they do just where the people are," he added.

Donahue said the nation's judgment of the Reagan Administration ultimately will come down to how well it handles the economy. Right now, he observed, the outlook is bleak.

"Take a look at what they're saying," he said. "They're saying that all of the budget cutting, all of the restrictions on the economy—the tight-money policy, the 20 percent interest rates, and so forth—all of that is going to produce two million extra jobs by 1986."

(Continued on Page 5)

Food, Fuel Costs Pace June Rise in Wholesale Prices

The government's producer price index for finished goods, a measure of change in wholesale prices, moved up six-tenths of 1 percent on a seasonally adjusted basis in June, or at an annual rate of about 7 percent.

The Bureau of Labor Statistics attributed most of the monthly rise to higher costs of food at the dealer level, a new swing up for home heating oil, and sharp increases in the cost of natural gas.

THE JUNE RISE was the largest since April when wholesale prices rose eight-tenths of 1 percent. Through the first six months of this year, the wholesale index has risen at a 9.5 percent annual rate. The

(Continued on Page 2)

CWA Keynoters Assail Callous Reagan Policies

Boston—Speaker after speaker at the 43rd annual convention of the Communications Workers denounced the programs and policies of the Reagan Administration as showing callous disregard for working people.

CWA President Glenn E. Watts, in his opening address, assailed the Administration's economic policies as "by and large, the economics of big business applied to government. The aim is to run a government of the corporation, by the corporation and for the corporation."

AFL-CIO President Lane Kirkland, Sen. Edward M. Kennedy (D-Mass.) and House Speaker Thomas P. O'Neill all excoriated the Administration in the White House and the conservative mood in Congress.

"Under the guise of trying to balance the budget, the Administration is advancing a new government ideology—an approach to government which has little room for human concerns," Watts told the more than 2,500 delegates and alternates.

Watts said he sees the humanistic approaches of government being eroded in favor of policies that are like welfare for the wealthy.

"I CAN imagine nothing worse than turning our backs on decades of work on behalf of social causes," he said. "Yet that is what the political ideology of the extreme right would have us do."

Kirkland, who shared a press conference appearance with Watts, called on delegates "to resist with all of our strength and resolution the effort that is now under way to bring back the days when our nation was a two-class society with great wealth and privilege on one side supported by all the largess and solicitude of government, and insecurity, privation and neglect on the other."

Kennedy slapped the Administration for trying to "repeal the achievements of a generation. The nation did not vote in 1980 for extremist schemes of longer hours and lower wages or for right-wing assaults on the health and safety of workers on the job." He rejected the notion that government spending is the major cause of the nation's economic problems.

"WE ARE TOLD, and it is surely correct, that we cannot solve our problems simply by throwing money at them. But that is only a half-truth that is too often misused to excuse indifference and neglect. The rest of the truth is that this nation cannot solve its problems by throwing tax cuts and budget cuts and social security cuts at them," Kennedy said.

Looking ahead, he predicted that "in due time this anti-union, anti-worker, anti-labor attitude will pass. . . . The vast majority of our people will soon come to understand that the prevailing philosophy of this day is alien to our history and contrary to our hopes. And when they do, you and I will be there—faithful to our principles, true to the cause of all the working men and women of America, and ready for leadership once again."

O'NEILL CALLED Reagan "as hard as nails when it comes to programs like food stamps and school lunches that help poor people . . . a real tightwad when it comes to programs like social security that help working families . . . a real Ebenezer Scrooge when it comes to programs like student loans that offer opportunity to our young people."

"But when it comes to giving tax breaks to the wealthy of this country, the President has a heart of gold," O'Neill observed.

He pledged that Democrats are not about to give up: "We will not abandon our responsibilities to the wage earner, the aged and the disadvantaged."

Watts, opening the convention, called for elections by each of the union's 12 districts for representatives to serve on "CWA's Committee on The Future," which was established by the executive board last May.

RANK-AND-FILE delegates elected to the panel will sit with appointed members of the union's executive board to review CWA's structure against the background of a "technological explosion that is sweeping today's work place," Watts said.

"Rapidly changing technology will transform the way workers approach their jobs in the future, and this new wave of technology promises to transform the whole of society as well," Watts said.

"What we want from this committee is an all inclusive look into the future. . . . What the future holds for society, for government, for commerce, for science, for industry, for workers, for families, for unions."

WITH WATTS as chairman, CWA Executive Vice President James B. Booe will serve as co-chairman. Among other appointed members are Sec.-Treas. Louis B. Knecht and Vice Presidents Morton Bahr of New York, Martin J. Hughes of Cleveland and Walter Maulis of Denver.

The committee is expected to report back to delegates at CWA's 1982 convention.

A convention resolution making the AFL-CIO's centennial year hailed the federation's continuing "vigor, vibrancy and verve."

In other resolutions, delegates called on Congress to extend for 10 years the Voting Rights Act originally adopted in 1965, expressed strong support for the full labor movement in Poland and memorialized the young people murdered in Atlanta.

Kirkland Warns Reagan Setting Disaster Course

(Continued from Page 1)

He said labor must resist "with all our strength and resolution the effort that is under way to bring back the days when our nation was a two-class society—with great wealth and privilege on one side, supported by all the largess and solitude of government, and insecurity, privation and neglect on the other."

KIRKLAND challenged the Administration's philosophy of "getting government off our backs" and spoke of his own recollection of growing up in the depression-era South where "the only social security system was the county poorhouse" and to be black "meant constant humiliation, segregated schools or no school at all, no hope for a decent job and no hope for a decent future for your child."

And "in cotton mills and steel mills, clubs and guns were the tools of labor relations, backed up by the police and the National Guard."

It wasn't until "government got on our backs" that conditions improved, he stressed.

That brought paved roads and rural electrification, he recalled.

"A federal insurance system saved the banks. A federal public health service wiped out the endemic diseases that afflicted generations of Americans."

KIRKLAND SPOKE of the hope brought by social security and the Civilian Conservation Corps, which "provided jobs for the young and planted the trees that the pulp and paper industries are living on today."

Business groups that want the government "off their backs" also want continued government subsidies for themselves, he noted. And "I don't have to tell you that big business is not rushing to lift government regulations off the backs of workers. The corporations are perfectly content with every law that restrains the activity of unions."

Business foes of regulation, Kirkland said, remain "fervent supporters of compulsory open-shop laws, mandatory injunctions, and all the laws that give property precedence over human beings."

As the trade union movement sees it, he told the CWA delegates, "in a just society, it is the business of government to look after the interests of the poor and the weak. The rich and the powerful can and do look after themselves."



ROY WILKINS Award of the NAACP Labor Committee honored COPE Director Alexander Barkan and was accepted on his behalf by Associate Director John Perkins. Fannie Neal, southern area director of COPE's Volunteers in Politics program, makes the presentation at a convention luncheon in Denver.

Grain Millers Convention Votes Step-up in Per Capita

Palm Springs, Calif.—Delegates to the Grain Millers biennial convention here approved a series of per capita payment increases while raising the monthly dues minimum from $7 to $8.50.

The monthly per capita payment will rise to $5.25 effective Aug. 1 with automatic increases of 30 cents each in subsequent years. The union's per capita rate has been at $4 since 1975.

In his keynote address, President Frank T. Hoese hailed recent action by the Federal Trade Commission that gives unions the automatic right to intervene in antitrust cases that have a direct effect on members' jobs.

The FTC ruling grew out of a lengthy battle by the Grain Millers and other affiliates of the AFL-CIO Food & Beverage Trades Dept. on a divestiture case against four major cereal makers that threatened more than 2,500 union jobs.

Resolutions adopted at the three-day convention called on Congress to reject any attempts by the Reagan Administration to slash social security benefits and to help improve the stability of the program through the infussion of general tax revenues.

Delegates also called for a federal ban on the use of strikebreakers, emergency legislation for extending supplemental unemployment benefits and protections for the U.S. sugar industry against unfair foreign competition.

The convention re-elected Thomas Frain to a new term on the union's board of trustees. Hoese, Sec.-Treas. Joseph T. Smisek and other top officers are in the middle of four-year terms.

Labor, Civil Rights Goals Linked as Reagan Targets

Denver—The historic ties between the trade union and civil rights movements have never been stronger or more needed, Auto Workers President Douglas A. Fraser and Ladies' Garment Workers Vice President Evelyn Dubrow told participants in the NAACP convention here.

Dubrow, who is also the ILGWU's legislative director, linked attempts in Congress to scuttle the Voting Rights Act with the Reagan Administration's drive to wipe out other hard-won programs through the budget process.

CIVIL RIGHTS and workers' rights are inseparable, she stressed. Attacks on the minimum wage, on social security protections, child nutrition and job programs are the trademark of the Reagan Administration, Dubrow charged.

Fraser, who is a member of the NAACP board, assailed the Democrats who "capitulated" to Reagan on the budget votes and likened the deals made by the Administration to get their votes to a "tobacco auction."

He spoke of the interdependence of the nation's economy, where layoffs in the auto industry spread unemployment to dozens of supplier industries that eventually ripples throughout the nation.

Fraser and Dubrow hailed the decision of the NAACP convention to endorse the AFL-CIO's Solidarity Day demonstration and to call on NAACP local and state branches to take part in the Sept. 19 protest rally in Washington.

AT THE SAME program, the NAACP labor committee presented its Roy Wilkins Award to COPE Director Alexander Barkan. It was accepted on his behalf by COPE Associate Director John Perkins, who is the coordinator of the Solidarity Day program.

Other awards to AFL-CIO affiliates included a plaque to the State, County & Municipal Employees, accepted by AFSCME Sec.-Treas. William Lucy, and special awards to Thomas Turner, president of the Metropolitan Detroit AFL-CIO, and Robert Sutt, a Steelworker from Johnstown, Pa., for his work in strengthening relations between the labor movement and the NAACP.

Food, Fuel Costs Pace June Rise in Wholesale Prices

(Continued from Page 1)

finished goods index last month was 10.2 percent above the year-earlier level.

Foods ready for sale at the grocery store, which had showed almost no change since last November, were up a half-percent in June. Meat was the major category leading the increases, with beef and veal up 2.4 percent for the month and pork up even more, 2.8 percent.

Natural gas continued its quickening pace of price increases of the past few months. In June, natural gas became 4.4 percent more expensive, a rate that if maintained would mean a doubling in price in less than two years.

Fuel oil, which rose 1.2 percent at the dealer level in May, went up by four-tenths of 1 percent in June. Gasoline prices, however, dropped again, this time by 1.2 percent, because of its current ready availability worldwide.

PRICES OF finished consumer goods other than foods and energy—items such as motor vehicles, luggage and jewelry—rose by the same amount as the overall index, six-tenths of 1 percent. Wholesale prices for over-the-counter drugs were down slightly after rapid increases in April and May.

Heavy machinery did not increase as fast in June as in the previous two months. Capital equipment prices moved up seven-tenths of 1 percent in June, after going up nine-tenths of 1 percent in April and May. Heavy motor truck prices rose 2.6 percent over the month following a 2.1 percent increase in May.

'Put on Walking Shoes'

Labor's 'Solidarity' Rally Enlists Teacher Support

Denver—AFL-CIO Sec.-Treas. Thomas R. Donahue called on all union members to "put on your walking shoes" on Solidarity Day, Sept. 19, to protest the Reagan Administration's assault on vital social programs and to "join in asserting our demands for jobs and justice."

In the keynote address to the opening session of the American Federation of Teachers' 65th annual convention, Donahue linked the history of the first 100 years of the American labor movement to the present difficulties faced by working people, declaring:

"ONE HUNDRED years later, solidarity is still our message and still our greatest strength . . . as we reaffirm the historic commitment of this labor movement to social and economic progress."

AFT President Albert Shanker, in his state of the union address to the nearly 2,500 delegates, followed up on Donahue's call for solidarity, charging that in his budget-cutting, President Reagan is "practicing the role of Robin Hood in reverse —he is taking from the poor and giving to the rich."

Shanker warned the delegates representing 580,000 AFT members that the union faces severe threats from both the Reagan budget cuts affecting education, health care and public employees, as well as the Administration's call for tuition tax credits, under which parents would receive a $500 income tax credit for sending a child to private school.

TO MEET these twin assaults, Shanker called on the delegates to fight "as though it were life or death" by getting every AFT members to contribute $10 to COPE, by organizing the "free-loaders," and by increasing political activity.

Shanker warned that the combination of the Reagan cuts in federal funds for education and social programs and the Administration's push for tuition tax credits means "an entire wipe-out of the federal presence in education and in health, an entire reduction and decimation of the public sector in this country, and the possible destruction of public education in America."

In a press conference following his speech, Donahue expressed the AFL-CIO's opposition to the tuition tax credit proposal, declaring, "Our tax dollars should support public institutions." He said such tax credits would "vastly weaken public schools."

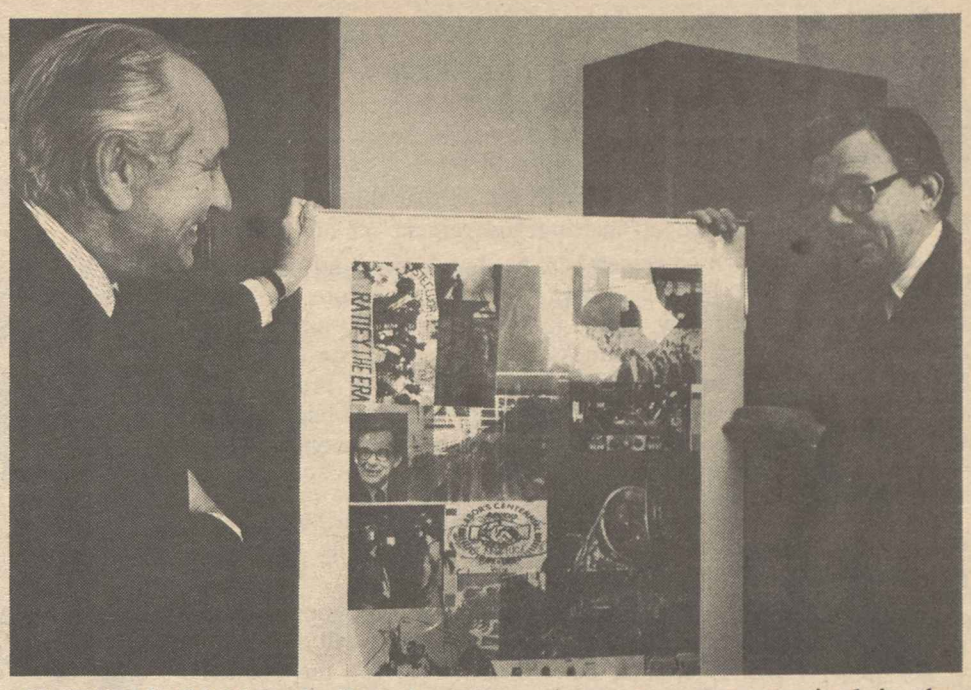
DURING HIS address to the delegates, Donahue emphasized that the AFL-CIO would "continue to extend every assistance in our power to our brothers and sisters in Poland as long as they need and desire our help," a declaration that the delegates greeted with resounding applause.

He said the federation "will do the same in Chile, in El Salvador, in South Africa and in other countries where working people have asked for trade union support."

Donahue pointed out that the AFL-CIO is seeking "to bolster those free trade unions as democratic institutions for the expression and achievement of workers' rights."

THE AFT delegates were to consider a wide range of resolutions on education policy, health care, public employment and international affairs as well as the Reagan Administration's economic program.

The officers reported a growth of nearly 30,000 members in the past year, despite layoffs and attrition, as a consequence of the combination of bargaining units switching from the National Education Association to the AFT, the chartering of more than 100 new locals, and the union's expansion of its membership in the health care field to 35 locals in 18 states.



HISTORIC GOALS of all trade union movements are summarized in the original lithograph by American artist Robert Rauschenberg commemorating the 100th anniversary of the AFL-CIO. One of 300 signed prints is presented by AFL-CIO President Lane Kirkland to Francis Blanchard, director general of the International Labor Organization, during Kirkland's visit as part of the U.S. delegation to the ILO's annual assembly in Geneva.

Randolph Institute Leaders Concerned at Drift to Right

Los Angeles—Blacks and workers must put before the American people "a wide-ranging, socially equitable program" as an alternative to the regressive policies of the Reagan Administration, Norman Hill, president of the A. Philip Randolph Institute, declared at the institute's 12th national conference.

Hill sharply criticized the rightward drift of the Senate and the Executive Branch and charged that the Reagan Administration has launched "the most formidable challenge to the interests of blacks and other workers since the Republican administrations of the 1920s." Hill's keynote address sounded the theme of the annual conference, which brought together more than 750 black trade unionists and community leaders.

CALIFORNIA GOV. Jerry Brown, who addressed the opening session of the conference, spoke of the problem of world hunger and emphasized that millions of blacks are starving to death in Africa. He called for foreign policy initiatives to help stem the problem of starvation.

Los Angeles Mayor Tom Bradley praised APRI's work in the area, including its "very important contributions to voter registration and voter participation."

Other speakers included AFL-CIO Vice President Frederick O'Neal, Civil Rights Director William Pollard, COPE Director Al Barkan, Sec.-Treas. John Henning of the Calif. AFL-CIO, and Sec.-Treas. William Robertson of the Los Angeles County AFL-CIO.

The high point of APRI's conference was the presentation of the A. Philip Randolph Freedom Award to Rep. Augustus F. Hawkins (D-Calif.), who was cited for his contributions to the concepts of full employment, social justice and interracial cooperation.

APRI Chairman Bayard Rustin praised Hawkins as "one of our country's outstanding legislators." He said that like Randolph, Hawkins "knows that the trade union movement is a principal force for social justice" and that "freedom for black workers is only possible in an atmosphere of political, social and economic security."

Donald Slaiman, deputy director of the AFL-CIO Dept. of Organization & Field Services, presented greetings to the conference and award dinner from Federation President Lane Kirkland and Sec.-Treas. Thomas Donahue. Slaiman urged institute leaders to play a leading role in building black community support for the federation's Sept. 19 "Solidarity Day" demonstration.

DELEGATES TOOK part in an extensive workshop program focusing on such topics as occupational safety and health, union organizing drives, and grass-roots legislative lobbying.

The Randolph Institute is made up of more than 18,000 black trade unionists, active in 36 states and the District of Columbia. It conducts voter participation programs, supports labor's organizing drives, and mobilizes support within the black community for labor's agenda, among other activities.

Pennsylvania Unions Seek Restoration of Jobless Aid

Philadelphia—The repeal of "ripper" legislation that Pennsylvania enacted last year sharply cutting back jobless benefits and an all-out drive to reject a new measure that would gut workers' compensation head the State AFL-CIO legislative agenda.

The 1,600 delegates to the federation's convention here called on the current legislature to restore the more than $200 million in annual benefits jobless workers are losing under the so-called ripper law.

THE CONVENTION also urged legislators to reject an eight-bill package that would disqualify thousands of workers needing occupational injury and illness compensation. The measures would also halt automatic annual adjustments in benefits linked to increases in the state's average wage.

Another key legislative objective is passage of a House bill that would require firms employing at least 50 workers to give a one-year notice before plant shutdowns to ease the economic impact on workers and their communities.

While the convention was in session, the Republican-dominated state senate passed a labor-opposed bill lifting the interest rate ceiling on consumer credit, which currently ranges from 15 to 24 percent. Delegates urged the House to defeat the measure, warning that Pennsylvania consumers would have to pay at least $30 million a year more in credit charges if it were adopted.

DELEGATES GAVE a cool reception to Gov. Richard L. Thornburgh (R) as he attempted to defend his support of the jobless benefit ripper law and other anti-worker measures.

AFL-CIO Sec.-Treas. Thomas R. Donahue told the delegates that reports from its enemies that the labor movement is dead are grossly exaggerated. He stressed that organized labor is alive and well and that it is committed to the fight against attempts by the Reagan Administration to wipe out 50 years of social progress.

Other speakers included Sen. John Heinz (R-Pa.), who pledged to resist all efforts to repeal the Davis-Bacon prevailing wage law; Sen. Arlen Specter (R-Pa.), National COPE Director Al Barkan, AFL-CIO Regional Director Walter Waddy and Paul Ornburn of the AFL-CIO Union Label & Service Trades Dept.

'Speak Out' on Cutbacks, McBride Urges

New York — Steelworkers President Lloyd McBride urged organized labor and its allies to "speak out" against the budget-cutting mood in Congress and denounced the pro-business, anti-worker bias evident in the Reagan Administration.

McBride's comments were made as the League for Industrial Democracy presented him with its 76th anniversary award in recognition of his commitment "to democracy in his union, his country and around the world."

McBRIDE TOLD the 400 trade union and political leaders at the luncheon that there is an element in the Administration that believes "if only we could unleash the power of business concerns to be free to do as they please, this country would be great and powerful again."

That philosophy led to the exploitation and intimidation of workers in the past, McBride pointed out, and he stressed that the labor movement will fight any such efforts to turn back the clock. Unions will use the collective bargaining process to defend workers' rights to "a sense of dignity which creates conditions better than they ever have been before," he declared.

AFL-CIO Sec.-Treas. Thomas R. Donahue called McBride "a union leader who believes very deeply that a union belongs to its members and not to others who feel they understand the interests of workers better than the workers themselves."

THE LID awards luncheon was part of a two-day conference that featured a debate between Ladies' Garment Workers' Assistant President Gus Tyler and "supply-side" economist Eugene Birnbaum on the Reagan Administration's economic policies.

U.S. policy toward El Salvador was debated by Penn Kemble, founder of the Coalition for a Democratic Majority and author-historian Ron Radosh.

A message of greetings to the conference was delivered by Piotr Naimski, a founding member of the dissident Polish Committee for Self-Defense, KOR.

Naimski described the work of Solidarity, the independent trade union movement in Poland, and urged American workers to continue their support for Polish workers.

"What we need most," Naimski said, "is moral assistance. We need to feel that the outside world supports our activities." Naimski also outlined practical needs such as printing equipment. Solidarity faces "media and communications problems" in circulating information to its members, he pointed out.

LID Chairman Tom Kahn, an assistant to AFL-CIO President Lane Kirkland, announced that the league will begin publication in the fall of a quarterly magazine dealing with the status of workers' rights in Eastern bloc countries.

THE PUBLICATION will focus on working conditions and the status of independent workers' movements in those countries, Kahn said.

He told the conference the league has made available a study defending the establishment of the minimum wage and is preparing a report on the activities of union-busting management consultants.

'Rationale for Plutocracy'

WE HAVE TO remind our elected lawmakers as forcefully as we can of the fact that the budgetary knife cuts more than pieces of paper with numbers on them—it wounds the flesh and drains the blood of living human beings.

Those who are swinging the blade tell us that they do so with the high-minded purpose of "getting government off our backs."

Anyone old enough to remember, firsthand, the kind of world that Americans lived in before there was a CWA, before the business jungle was tamed by public-interest legislation, and before government resources were harnessed to secure justice and promote the quality of human life, can only reject any prospect of returning to those good old days, before government began—not to get on the people's back—but to stand by the people's side, with a helping hand for the poor and weak.

IN A JUST society, it is the business of government to look out for the interests of the poor and the weak. The rich and powerful can and do look out for themselves.

We reject the idea, now labeled "supply-side" economics, that government should look after the rich and the rich will take care of the poor. There is nothing new in this idea. It's the ancient rationale for plutocracy.

It is possible for our country to avoid the social disaster we see taking shape behind the Reagan economic program. We believe it is our duty to warn our fellow citizens of the danger they face.

THERE ARE some welcome indications that the American people and at least some of their elected lawmakers are beginning to grasp the full dimensions of the human cost behind the dollar cuts of the Reagan Administration.

One was the 96-to-0 vote with which the Senate replied to the President's initial proposal to gut the social security program. Of course, that battle isn't over. We can expect more schemes and more attacks on that basic instrument which working people rely on for security in old age.

Another indication is the growing number and extraordinary range of the national voluntary organizations that have responded to the AFL-CIO's call for a broad coalition to restore human values to the budget.

OUR COALITION includes well over 200 organizations that cover the whole spectrum of human concerns—with the conspicuous exception of business and finance. Many have never engaged in any sort of legislation action on a national scale. All of them have found that their interests, too, need to be defended and that they cannot do it alone.

In our first century, we have acquired a considerable body of experience. We have seen a great many administrations and congresses come and go. We have seen leaders come on the scene as conquering heroes, shinning with charisma, only to slip away a few years later without applause, and sometimes with scorn.

Many times over these 100 years we have faced far worse odds than we face today. We have never lost heart, never lost sight of our goals, never turned our back on our true friends.

—AFL-CIO President Lane Kirkland to Communications Workers convention in Boston, July 6, 1981.

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THOMAS R. DONAHUE, *Secretary-Treasurer*

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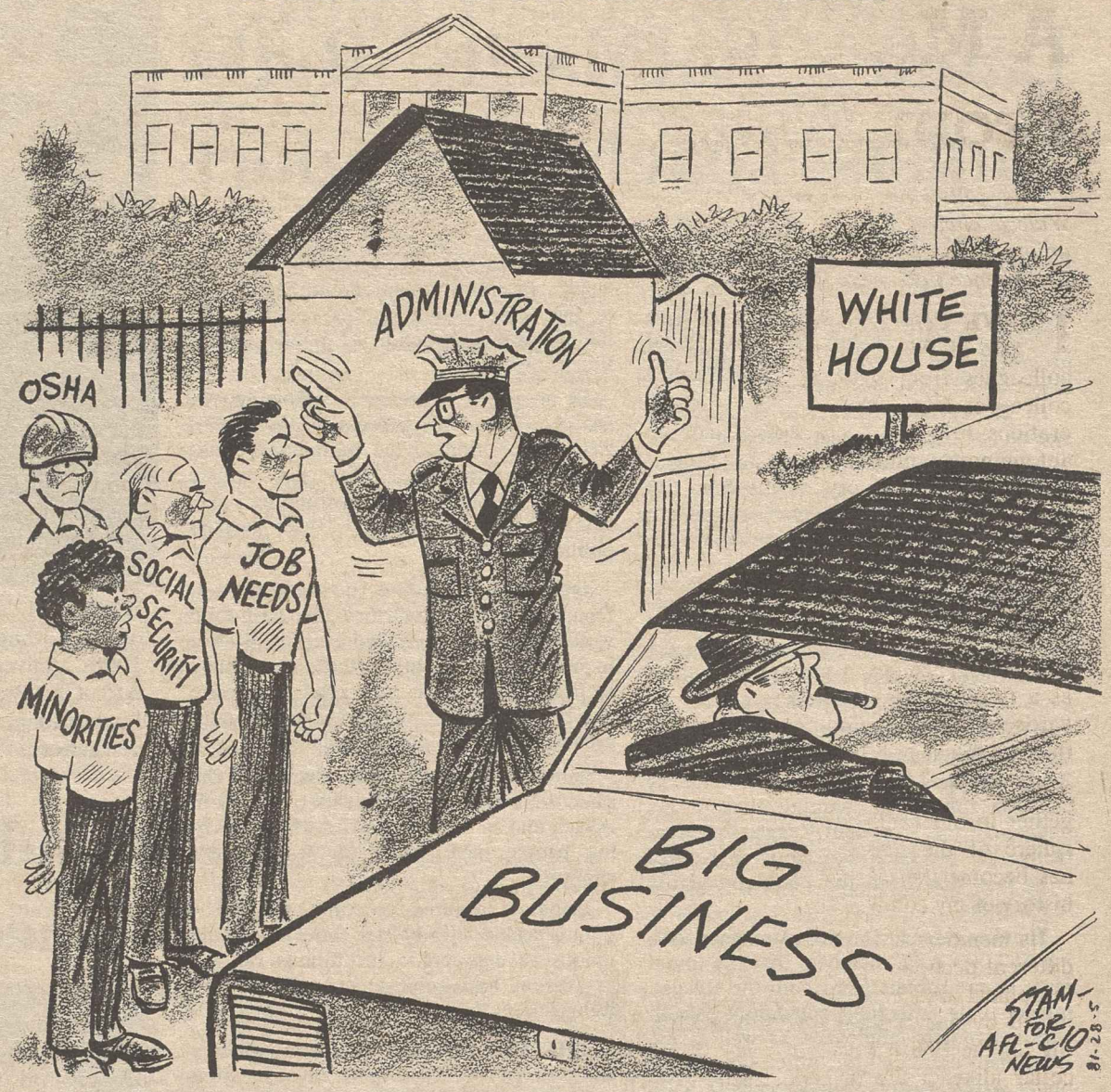
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'You'll Have to Use the Tourist Gate!'



Democrats Defect

Sweet Talk on Sugar Supports Swings Votes to Reagan Budget

By Gus Tyler

THE QUESTION BEFORE the House was this: should they vote on the budget as one big package or should they vote on it as six separate packages?

The difference is one faced by every shopper when buying bananas, for instance. Should you make six separate purchases of one banana each or should you buy half a dozen at once? As a rule, if you make the big buy, you save something, a few pennies.

So what were the members of the House of Representatives who voted for the Republican plan to act on the big package "saving?" They were saving themselves from their constituencies, from the people who elected them.

IF THE REPRESENTATIVES had voted on six separate questions, their constituents would know exactly where the congressmen stood and just how "representative" they were. The legislator would be on record "for" or "against" items affecting such sensitive areas as social security, food stamps, guaranteed student loans, child nutrition, Medicaid, and cost of living increases for federal retirees. Understandably, many congressmen preferred not to be on record.

To "save" their standing with the folks back home, while at the same time voting all these cuts, the congressmen preferred to vote for the total budget in one big chunk. In that way, they could always say to a constituent that they did not really like this or that feature of the budget but that they had no alternative since they were voting on the package as a whole.

"Sorry," reads the letter to the retiree back home, "that there was that cutback on your pension. There were several things I didn't like in that package. But we couldn't pick and choose; we had to vote it 'up' or 'down'. And, unfortunately, some things slipped through that were not to our liking."

BY AVOIDING SIX separate roll calls on six sensitive issues, the representatives could be as unrepresentative as they pleased while concealing that fact from the people in the precincts.

It was this charade to which President Reagan referred when he said: "Today's vote is a profile in political courage."

Apparently, some of that "courage" was also up for sale, at the rather expensive price of four cents on a pound of raw sugar. Rep. W. J. Tauzin (D-La.), one of 29 defectors from his party who voted for the "package," says that, in exchange for supporting the GOP proposal, the President promised to jack up sugar cane prices by 25 percent.

WHEN REAGAN'S Budget Director, David Stockman, was confronted with this "deal," he simply denied that any deal was made. There were only a few "adjustments and considerations."

Apparently, Tauzin was not the only southern Democrat who was importuned with "adjustments and considerations." Stockman granted that the President made numerous calls and that in each case he was properly briefed on just what it was the congressman would like in exchange for his vote. Explained Stockman: "Obviously you don't call people cold. He ought to know where the latest heartburn item is."

So the President knows the "heartburn." He promises to ease the pain. In gratitude, the congressman then votes for the GOP package which he can do with impunity since the "package" will allow him to hide his views from his constituency.

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A Question of Honor On Social Security

The AFL-CIO recognizes the need for strengthening the financing of social security. This can and should be done without reducing benefits for beneficiaries or for those now contributing to the program who must depend on it in the future.

Workers have paid contributions during their working lives confident of receiving specified benefits. It would be a breach of faith to deprive them of these benefits.

Congress is honor bound to meet program commitments. There are effective ways to fully balance the program without slashing benefits, and we urge you to support them.

—From AFL-CIO testimony at Senate hearings, July 10, 1981.

Lech Walesa at ILO

A Message of Justice, Freedom From Polish Workers' Leader

The following is from an address by Lech Walesa, chairman of the independent Polish trade union, Solidarity, to the 67th International Labor Conference in Geneva last month.

I HAVE COME to this conference as a delegate of Polish workers, accompanied by my colleagues from the Solidarity trade union and colleagues from the two other trade union federations in Poland, the branch unions and the autonomous unions.

This is clear proof of the pluralism of the Polish trade union movement. However, I have taken the floor here, first of all, as a representative of the largest Polish trade union organization, the independent self-managed trade union Solidarity.

This organization was born late in August 1980 as a result of the memorable events in the shipyards of Gdansk, Gdynia and Szczecin and in the coal mines of Silesia.

IN JUST a few months, we have brought together in our ranks millions of workers in every sphere of the national economy and Solidarity has become the largest social organization in the history of my country.

Its members have different levels of education, different occupations and vocations, different philosophical and religious opinions, but they are joined by one common aspiration, that of ensuring for the Polish workers, blue-collar and white-collar alike, a life in civic freedom, freedom of thought and speech, human dignity and national sovereignty.

The independence of our union, which has brought about a new social situation in my country, sometimes gives rise to various fears.

I should like, from this international forum, to tell everybody, all the peoples and all the countries in the world, that the Poles are capable of settling their own internal affairs among themselves and by themselves. It is in the common interest that no external intervention should prevent the process of consolidation of the Polish society which began on 31 August 1980.

OUR UNION was born out of protest. Using the traditional methods of workers' struggle—demonstrations and strikes—it contributed in a definitive way of initiating a thoroughgoing transformation of the social and political life of the country.

There is no area which has remained unaffected by this process of renewal. And even though we are aware that this is only the beginning of these changes, no one in Poland has any doubt that there is no way to return to the old methods of ruling the country and governing its economy.

The whole world knows what a difficult economic situation my country is in as a result of the political errors and the irresponsible economic and social policies pursued by the leaders of my country in past years.

We are conscious of the fact that to find a way out of the present difficulties will require sacrifices and self-denial on the part of every Pole, even though he bears no responsibility whatever for our economic collapse. We have recommended every section of Solidarity not to make any wage demands and not to go on strike without the agreement of the leadership of Solidarity. But we shall continue our struggle so that no one in Poland remains jobless and so that the vital interests of the most deprived segments of the population in town and country are well protected.

MAY I EMPHASIZE that Polish workers belonging to the independent, self-managed trade union Solidarity greatly appreciate the possibility of cooperating with the ILO and are ready to participate actively in the formulation and development of international labor laws and other ways of bringing about social progress.

It is a matter of personal privilege and honor to me to be able to participate in the present session of the ILO Conference and to be able to meet and cooperate with so many trade unionists from all the countries of the world.

Polish trade unionists have cooperated with the ILO wholeheartedly throughout the 62 years of its existence. When in August 1980 we decided to create independent self-managed trade unions, we used in full the provisions of the ILO Conventions Nos. 87 and 98 on freedom of association with trade union rights to strengthen Solidarity. I hope that in the future, too, our cooperation with the ILO will be a lasting element in the mutual relations of Polish trade unionists with trade unions from all over the world and with international organizations working for social progress and social justice.

I SHOULD LIKE to express our solidarity with working people throughout the world, with the struggle waged by trade union organizations in defense of the social interests of the working people, in defense of dignity of work, for protection of human rights wherever they are infringed.

A man of our times cannot have a clear conscience so long as there are areas in the world where poverty and famine prevail, so long as heartrending contrast in material and social well-being exists between different countries or classes of people, so long as man's natural pursuit of freedom, a decent life and happiness are countered by violence, oppression and exploitation.

May I express the hope that—irrespective of and dividing line between states, blocs or systems—the principles of social justice, democratic freedom and independence of the trade union movement, which are the guidelines of Solidarity, may be the common property and underlying force of the entire trade union movement.

Donahue Cites Impact

Discontent on Reagan Policies Seen Focus of Labor's Protest

(Continued from Page 1)

"I hope we can wait. That's a long time for eight million to remain unemployed—a long time to wait for those two million extra jobs to be added to the economy. . . .

"IT SEEMS TO ME that a more effective program would be to try to find ways to keep the people employed in the meantime, not to create a budget which will, in and of itself, account for an extra million people unemployed."

Donahue acknowledged that the President is personally popular, but he stressed that "there is a great gap" between that assessment and "what the people's real attitudes are towards the individual actions of the Reagan Administration."

He said that congressional votes in which longtime supporters of the labor movement—both Democrats and Republicans—have switched to support Administration programs opposed by the labor movement reflect a hurried view. "They are reading the tea leaves differently," he suggested. While "they're running with the pack" now, those elected representatives will respond differently "when the people's real attitudes are toward the individual horrors that are being visited upon them," he said.

DONAHUE REJECTED the contention of Labor Sec. Raymond Donovan that "workers have more to gain than to lose by going along with this program." Donovan, he pointed out, is "the same Labor Secretary who said the Supreme Court shouldn't apply the best health standards to workers in the textile industry . . . the same Labor Secretary who proposed a renewal of industrial homework—the worst kind of exploitation of the past."

"Sec. Donovan needs to take another look at all of these issues," he asserted, and "another look at the economic effects of the Reagan program."

Washington Window

By Press Associates, Inc.

WHEN BISMARCK RULED imperial Germany a century ago, he reportedly remarked that people shouldn't see either sausages or laws being made. The point was well illustrated in a session of the House of Representatives on June 26.

Following a rancorous five-hour "debate" which often bordered on pandemonium, the House approved the broadest package of budget legislation in memory—a one and one-half inch thick compilation of fine print which had been handed to House members shortly before the session began.

The legislators, by their own admission, did not have time to read or study the 1,000-page compendium, which had been thrown together at the last minute, with some sections hastily crossed out and others penciled in the margins.

YET WITH SOME cajoling from President Reagan, who proved to be as skillful with the telephone as with television, the House passed by a 217 to 211 vote the so-called "Gramm-Latta" substitute to the budget legislation its own committees had devised.

The Administration's astonishing victory was made possibly by the defection to GOP ranks of 29 House Democrats, most of them southern conservatives. All but two Republican members were held in line.

The Gramm-Latta legislation is similar to that approved by the Senate. Both versions whittle down or repeal many of the social programs enacted since the 1930s and seriously strain the "safety net" for the needy which Reagan had pledged to maintain.

As Rep. John Conyers (D-Mich.) told his colleagues during the debate in reference to the Gramm-Latta substitute: "The three branches of government will have become two. The White House will not only propose legislation, but also dispose of it. . . . Major changes in the law are being stampeded through Congress without any deliberative process."

Rep. Mary Rose Oakar (D-Ohio) pleaded that "opposition to the Republican substitute is not merely a sour grapes phenomenon. The Gramm-Latta bill will abrogate the authority and function of the House authorizing committees. I do not exaggerate when I charge that adoption of these amendments constitutes a blatant threat to our entire checks and balances system."

Rep. Thomas M. Foglietta (D-Pa.) declared, "I cannot, and I will not, go along with this mockery of the legislative process." The "budget process," he said, "is being used as an excuse to implement major policy reversals. The President's block grant proposal is the most prominent example."

THE VOTE FOR Gramm-Latta only compounded the rout of the Legislative branch by the Reagan-led Executive Branch which began when the House voted in May for a "bipartisan" budget resolution sponsored by Texas Democrat Phil Gramm and Ohio Republican Delbert Latta. The 63 conservative Democrats who joined a solid GOP provided a comfortable margin of victory.

That resolution, the original Gramm-Latta measure, mandated House authorizing committees to make $36.6 billion in social program cuts. Congress thus complied with the Administration's desire to turn the budget process on its head by forcing congressional committees to shape programs and rewrite legislation to conform to previously determined spending ceilings.

Rep. Richard Bolling (D-Mo.), chairman of the House Rules Committee, warned that "If the Administration's insistence that it have its own way—and at once—through the reconciliation process continues, it will be a gross distortion of the intent of those who wrote the Constitution and the Bill of Rights, as well as the intent of the 1974 budget act."

Bolling continued: "If Congress is to be reduced to automatons permitted only to ratify a presidential legislative agenda that has been premasticated by an all-powerful executive, the American people, with some justice, may very well ask: 'Why should we support this expensive anachronism?' "



SOLIDARITY DAY demonstrators will help repudiate the Reagan Administration's claims of a mandate to reverse 50 years of social progress, AFL-CIO Sec.-Treas. Thomas R. Donahue said on Labor News Conference. He was questioned by Lance Gay, left, of the Washington Star and Philip Shabecoff of the New York Times. The program is aired weekly on the Mutual radio network.

State-County Strikers Seek Pay Equality

The State, County & Municipal Employees pledged the union's full resources to San Jose, Calif., city workers striking to win for women the same pay as men doing comparable work.

"AFSCME and its local union membership in San Jose are asking for no more than a good-faith effort on the part of the city," said Union President Jerry Wurf in a telegram to the officers of AFSCME Local 101 in San Jose.

"San Jose's wage rates are illegal and in violation of the Civil Rights Act," he charged.

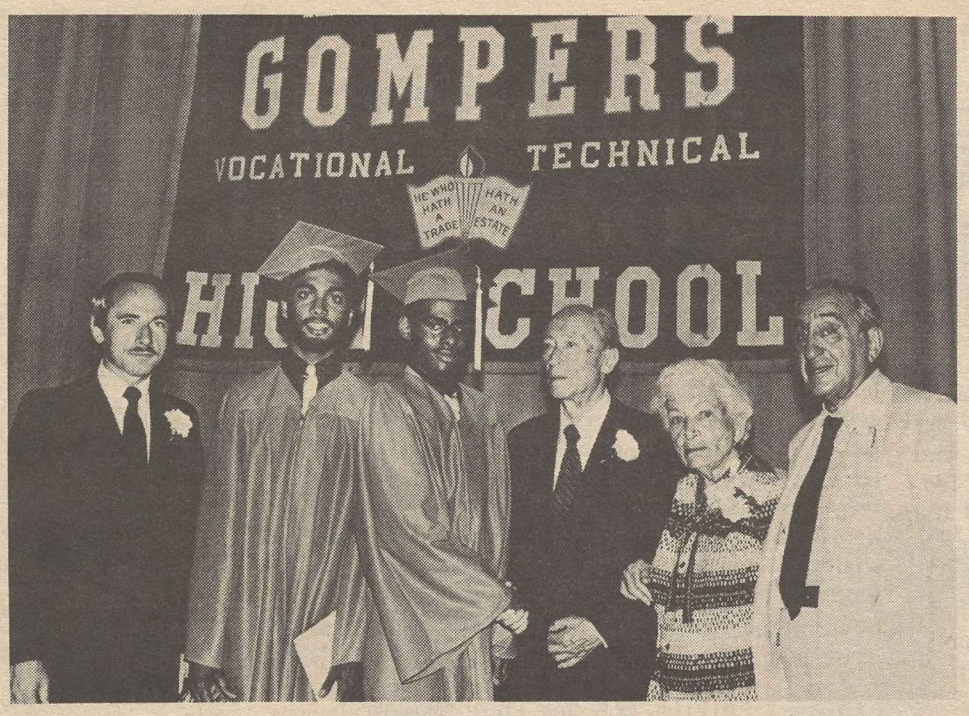
SOME 1,500 librarians, mechanics, janitors, and clerical and other workers struck July 5 when their old contract with the city expired. Earlier, on June 8, with the aid of AFSCME's legal department, Local 101 filed a formal complaint with the Equal Employment Opportunity Commission that the city has engaged in sexual discrimination in paying its predominantly female job classes less than predominantly male job classes.

The union is seeking a $3.2 million commitment over four years to correct the inequities. The city, which has a population of 650,000, has offered $1.3 million. On the other hand, the city government has already adopted a pay equity program for management officials based on an independent evaluation of the city's pay structure.

The study, conducted by the consulting firm of Hay Associates, found that pay for jobs that are predominantly staffed by females ranges from 2 to 10 percent less than the overall average for the city. The city initiated the half-million dollar survey at AFSCME's request.

CITY OFFICIALS rejected the union's wage proposal on the ground the Hay study was not intended to measure precisely the relative value of jobs, and have refused to upgrade jobs that are within 10 percent of the average salary "trend line." The union's proposal would bring predominantly female positions up to the trend line.

"The men and women of AFSCME know that your fight is our fight," Wurf said in his telegram to the local. He pledged support "with all of the resources available because the issues are important to working women everywhere."



SCHOLARSHIP AWARDS are presented to graduates Angel Pacheo and Kamlesh Patel at Samuel Gompers High School commencement exercises in Bronx, N.Y. in memory of the first AFL president. The awards were made on behalf of the Reunion of Old Timers by Charles Zimmerman, a retired vice president of the Ladies' Garment Workers, Mrs. Zimmerman, and Morris Novik, right, a media consultant to the AFL-CIO. Principal Victor Herbert is at left. The old timers group was founded 40 years ago by New York area socialists and trade unionists.

Hospital Workers Win Pact In 4-Month Kentucky Strike

Prestonburg, Ky.—A four-month strike by service and maintenance workers at the regional hospital here has ended with substantial contract gains despite a campaign of threats and violence mounted against the workers.

The 280 members of District 1199's unit at the Highlands Regional Medical Center, a 137-bed non-profit facility, struck Mar. 25 after solidly rejecting a take-it-or-leave-it offer from the hospital management. District 1199 is the hospital and health care division of the Retail, Wholesale & Dept. Store Union.

THE NEW three-year pact, ratified 144-41 on July 7, provides for a 30 percent across-the-board wage increase in steps of 11, 10 and 9 percent. Most of the union's members had been receiving the minimum wage or slightly more.

Many workers will also get an average of 7 percent in raises to correct pay inequities in some jobs and establish seniority differentials.

Gains were also made in vacations, sick leave, and holiday pay and health care coverage.

At the start of the strike, the hospital hired a Cincinnati firm, Nuckols & Associates, to provide security guards. The nearly 50 uniformed guards were permitted to carry guns and billy clubs and to use surveillance cameras, high intensity lighting and armored cars. A local judge enjoined the union from having more than five pickets on the line at any time.

UNION MEMBERS reported being beaten on the picket line by the guards, and several pickets were injured when they were struck by cars crashing through the line.

The windows of the union headquarters and of many strikers' cars were shot out.

Pickets said they were followed home by guards after leaving the line, and a number reported receiving telephoned threats of death or violence if they did not return to work. But not a single member of the unit returned to work during the strike.

District 1199 organized a strike support fund for the Prestonburg members, which was amplified by a statewide campaign led by the Kentucky AFL-CIO. Additional support and funds came from the Mine Workers. Many of the strikers, 230 of whom were women, were the only support of their families or are married to Mine Workers' members who were also on strike during much of the same period.

ROBERT MUHLENKAMP, District 1199 director of organizing said the victory will be studied by hospitals and workers throughout the area.

The medical center, Muhlenkamp pointed out, "thought that because most of the strikers were women service workers earning the minimum wage they were powerless and vulnerable, and that a campaign of violence would scare them into submission.

"The hospital guessed wrong, and the workers stuck together in a magnificent display of courage and commitment."

Musicians' Delegates Vote To Retain Dues Structure

Salt Lake City—Delegates to the Musician's 84th convention rejected an executive board proposal of a one-time, $5-per-member assessment to bolster the union's financial position, but left intact the per capita dues structure adopted at last year's convention.

The 900 delegates to the four-day meeting also re-elected the federation's officers, streamlined language in the union's constitution, voted to increase the salaries of officers and executive board members, and heard a number of speakers.

A RESOLUTION calling for a return to annual conventions was voted down in a voice vote. At its 1980 convention, the AFM delegates had voted to hold conventions biennially rather than yearly.

The decision to retain the work dues structure under which members pay one-half of 1 percent of scale wages to the national union and one-half of 1 percent to their local was by a large majority of delegates. Several resolutions had been proposed to modify the plan.

Re-elected to new two-year terms were President Victor W. Fuentealba, Vice President David Winstein, Vice President from Canada J. Alan Wood, and Sec.-Treas. J. Martin Emerson. Incumbents to the remaining five positions on the nine-member executive board were also re-elected.

THE OFFICER salary increases, the first since 1975, raise the salary of the president from $55,000 to $64,000 a year while that of the vice president from Canada and the secretary-treasurer go from $45,000 to $52,000 a year. The three positions are full-time. Also, the salaries of the remaining, part-time executive-board members were raised from $12,000 to $14,000 a year.

Speakers included the wife of Gov. Scott Matheson, Norma, filling in for her husband who had been detained in Washington during a meeting with President Reagan; President Eddie P. Mayne of the Utah State AFL-CIO; Maurice Abravanel, music director of the Utah Symphony, and Edwin Schmidt, director of the AFL-CIO Dept. of Reproduction, Mailings & Subscriptions.

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Union Urges Controllers To Reject Pact

Chicago—The Air Traffic Controllers' executive board has unanimously recommended that the union's members "overwhelmingly reject" the tentative contract settlement their negotiators reached June 22 with the Federal Aviation Administration.

The board adopted its position at a two-day meeting here attended by some 400 local union representatives as well. A resolution approved by the nine-member panel said that last month's agreement "does not address the fundamental issues important to the air traffic control profession."

VOTING ON the tentative contract is expected to begin next week, and the results known by July 28. If the pact is rejected, the union's next stop would be to ask the government to resume bargaining.

The resolution did not address specific contract issues, but PATCO leaders said they have received many letters, telegrams, and phone calls from members complaining that the Administration's offer of an 11.4 percent wage increase this year is inadequate. The controllers also had sought a shorter work week without reduction in pay as a means of lessening job-related stress. Instead, the agency offered time-and-a-half pay for four hours of a regular 40-hour week.

Under the new contract proposal, all PATCO members would not benefit equally since much of the package consists of increases in premium pay for night and weekend work as well as money for controllers who are medically disqualified.

THE BOARD'S three-paragraph resolution recommending rejection of the contract supported PATCO President Robert Poli's acceptance of the agreement "given the circumstances with which he was confronted in the early morning of June 22."

With a strike deadline set for approximately 7 a.m. on that date, negotiations between the union and the Reagan Administration, represented by Transportation Sec. Drew Lewis, continued through the night while union officials polled controllers across the country to determine whether there was sufficient support for a strike.

An affiliate of the Marine Engineers' Beneficial Association, PATCO represents about 14,000 of the nation's air traffic controllers.

Congress Girds For Tax Battle

(Continued from Page 1)

Congress breaks for a scheduled August recess.

The House Democratic leadership had assumed that a tax cut less skewed to the very rich would be politically more acceptable than the Administration plan. But the President demonstrated in the budget votes his ability to swing a bloc of conservative Democrats to his side.

Ironically, the business groups that were solidly aligned with the President on the budget cuts are seen as the wild cards in the tax battle.

Some trade associations find the business tax reductions in the House committee bill more lucrative for their industries than the Administration version.

COPE-Backed Democrat Elected in Mississippi

Jackson, Miss.—COPE-endorsed Democrat Wayne Dowdy, who spoke out for extension of the Voting Rights Act, was elected to the House from a Mississippi congressional district last represented by a Republican.

Dowdy, 37-year-old mayor of McComb, edged out Republican Liles B. Williams in a runoff.

The seat had been held by the GOP since 1972 and has been vacant since April when Republican John Hinson resigned from Congress after his arrest on a morals offense charge.

Williams had led seven other candidates in the first round of voting. He campaigned as a supporter of President Reagan, whose endorsement was mailed to district voters, and used a television advertisement featuring Vice President Bush.

Dowdy had the near-solid support of the district's 45 percent black population, and Williams attributed his loss to the unexpectedly high voter turnouts.

Ready Cure for Deficit

'Scare Tactics' Charged To Social Security Foes

(Continued from Page 1)

Health & Human Services Sec. Richard S. Schweiker was also questioned sharply about the economic assumptions it used to project a massive future deficit in the social security funds. For that purpose, Sen. Bill Bradley (D-N.J.) noted, the Administration assumes a continuation of very high unemployment and very high inflation. But for other economic projections, it foresees both rates dropping.

In Detroit, Auto Workers President Douglas A. Fraser said the Reagan Administration appears to be conducting an "orchestrated attempt to undermine confidence in the social security system and to establish a basis for the outrageous cuts which it proposed in May."

Seidman protested the "cruelty" of showing doubt as to whether workers who pay into the system will ever get benefits from it.

"IT IS inconceivable that Congress would let social security benefits be delayed or unpaid," Seidman stressed.

Therefore, he suggested, Congress should write into law "a provision stating that social security benefits, like interest on the national debt, will be paid from general revenues in the event payroll taxes are insufficient. The present moral obligation to pay benefits should become a legal one. This would reassure beneficiaries and contributors, and strengthen public confidence in the program."

He reminded the panel that a similar provision was included in the Social Security Act more than 30 years ago.

AS TO THE Reagan Administration's cutback proposals, Seidman said the harsh effect of slashing early retirement benefits would be compounded by further tightening eligibilitiy for disability insurance.

Under the Administration plan, Seidman protested, no worker retiring at 62 would get a social security benefit as high as the official poverty threshold.

Seidman expressed labor's concern that the extreme severity of the Administration's proposals may increase the willingness of Congress to accept cuts "that are somewhat less drastic than the Administration's recommendations."

THAT APPEARS to be the Administration's "fallback strategy," Seidman said, and the various retrenchment proposals being talked of in Congress "give evidence that this strategy has been much too successful."

He told the Senate panel that the AFL-CIO is opposed to any increase in the age of retirement. Tampering with the early retirement provisions of social security places "an unequal burden on those in poor health and on blue-collar workers whose jobs require physical effort," Seidman protested. They would also have a "devastating impact on the early retirement provisions of collectively bargained pension plans," he observed.

Living standards of the elderly are declining under inflation's impact even with the present cost-of-living formula for social security benefits, Seidman noted.

HE AND OTHER union and senior citizens witnesses testifying at the hearings took sharp issue with the Administration insistence that general revenue funds not be used to supplement the payroll tax.

"The United States is one of the few advanced industrial nations in the world in which the social security system is financed almost entirely from payroll taxes," Seidman noted.

The AFL-CIO proposal to finance 50 percent of Medicare out of general revenues would allow the balance of the Medicare tax to be applied to the Old Age & Survivors Trust Fund, the basic retirement benefit fund.

AS A FURTHER backup, Seidman said, other transfers and reallocation among the various funds would provide needed flexibility. And, as former President Carter proposed in 1977, general funds should supplement the payroll tax during periods of exceptionally high unemployment.

"The AFL-CIO recognizes the need for strengthening the financing of the program," Seidman testified. "But we believe this can and should be done without reducing benefits for either beneficiaries or for those now contributing to the program who must depend on it in the future."



COPE'S COFFERS got a $22,000 boost with a check from the Office & Professional Employees presented by OPEIU Sec.-Treas. William A. Lowe, right, to COPE Director Al Barkan. The check represents 100-percent fulfillment of the union membership's quota for voluntary political contributions for 1981. This is the sixth consecutive year that OPEIU has reached 100 percent of its COPE quota.

Job Assurances Sought in Talks On Grain Sales

A larger share of grain sold to the Soviet Union should be processed into flour before it leaves the United States, AFL-CIO President Lane Kirkland urged in a letter to Agriculture Sec. John R. Block.

The current five-year grain agreement between the two nations expires on Sept. 30. Now that the Administration has lifted the boycott imposed by former President Carter, both sides are preparing for "exploratory talks" on an extension of the sales agreement.

KIRKLAND NOTED that the AFL-CIO had supported retaining the boycott "as long as Russian troops remain in Afghanistan." But if sales are to be resumed, he said, greater attention should be paid to the effect on U.S. jobs.

The United States is losing employment because U.S. wheat and soybeans are being processed at European mills, Kirkland stressed. By processing a larger share of the grain in the United States, he said, job opportunities will increase and the value of U.S. exports will be higher.

Kirkland urged a bilateral agreement on cargo sharing between the United States and the USSR that would in practice as well as theory provide for an even division of cargo shipments.

HE SAID the agreement should provide a rate structure that will enable U.S. vessels to receive a fair return and encourage expansion of the American-flag bulk fleet. Otherwise, he warned, the Soviet Union is likely to engage in "predatory" pricing tactics that will freeze out U.S. vessels.

"If grain sales are to be made to the Soviets," Kirkland urged, "they should be made under a multi-year bilateral sales and shipping agreement that mitigates wild swings in Russian purchases and enhances U.S. domestic price stability and employment."

Trade Concessions Opposed For Communist Countries

The AFL-CIO opposes extension of "most-favored-nation" status to the communist countries of Romania, Hungary and the People's Republic of China, Legislative Director Ray Denison told a House subcommittee, charging that "there is neither human rights nor economic nor political justification" for such treatment.

The three countries have been accorded MFN treatment under the 1974 Trade Act's waiver authority. MFN status provides the lowest tariff and the easiest access to the U.S. market that the United States grants any other country.

DENISON TOLD the House Ways & Means trade subcommittee chaired by Rep. Sam M. Gibbons (D-Fla.) that human rights conditions in Hungary and Romania have not improved as a result of granting those countries MFN status and that China remains a question mark.

"The issue before the committee is whether or not the granting of normal trade status to these countries encourages the free emigration of their citizens," Denison wrote Gibbons. "The evidence does not completely support that view."

In addition, Denison reiterated the AFL-CIO's longstanding objection to providing U.S. technology and production facilities for use under communist labor conditions to send products into the U.S.

"Over the years, we have listed a number of products and industries where itjury was already occurring in the U.S. and where jobs and production had already been lost," Denison observed. "Yet imports of textiles, garments, shoes, electronic equipment, glass, and steel products—all import-injured industries—persist.

"RECENT FIGURES show that increased imports of such equipment as railroad car parts have now been documented. We have also called attention before this committee to imports of compressors from the People's Republic of China, and there is evidence that the fastener industry, already impacted, is increasingly impacted from the PRC."

In Romania, Hungary and China, Denison concluded, MFN status is not necessary for either trade or contracts, nor does normalized treatment assure U.S. exporters that their sales will not be cut back whenever these countries' governments decide to curtail them.

Extension Urged On Tax Status of Legal Aid Plans

Group legal services should continue to be treated as a non-taxable fringe benefit, the AFL-CIO urged in a statement to a Senate Finance subcommittee.

A section of a 1976 tax law specified that for a five-year period workers would not have to pay income taxes on employer contributions to legal services plans—or on the value of any of the benefits workers and their families may receive under such plans.

That provision should now be made permanent, the AFL-CIO urged.

The statement, supporting a bill introduced by Subcommittee Chairman Bob Packwood (R-Ore.), noted that legal services plans were rare when the law was passed.

But they have expanded rapidly, the statement noted, growing over five years from 75 to 400 plans and now covering about one million employees across the country.

These plans make it possible for moderate-income workers to obtain needed legal services and should not result in higher taxes on workers, the AFL-CIO urged.

Unless Congress acts before the end of the year, uncertainty over their tax status will discourage the growth of legal service plans, the federation's statement pointed out.

Tax Loophole New Yardstick For the 'Truly Conservative'

There was a time when a member of Congress could count on the financial support of the National Conservative Political Action Committee (NCPAC) merely by being consistently anti-union, voting for budget cuts and denouncing the "giveaway" of the Panama Canal.

But now, it seems, true conservatives should also work to preserve the commodity straddle tax loophole. And not even the Reagan Administration can pass through the eye of that needle.

COMMODITY SPECULATORS invented the straddle to defer paying taxes on their profits. It involves juggling buy-and-sell contracts to create temporary paper losses that are then used to offset real profits.

The Treasury Dept. estimates that it costs the government $1.3 billion a year in tax revenues and recently joined with the AFL-CIO in testifying for a bill to close the loophole.

The NCPAC is going all out to block the reform legislation, and an article in the July 4 issue of Congressional Quarterly explains how this became a New Right issue.

IT SEEMS that one of the nation's biggest commodity traders, Peter M. Todebush of Chicago, is a member of NCPAC's executive committee and a big contributor to the organization.

Todebush apparently had no great difficulty convincing NCPAC Chairman John T. Dolan to write to key House and Senate committee members expressing "shock" at the proposed legislation and urging its defeat.

Todebush is quoted by Congressional Quarterly as terming the bill "ideologically offensive" and asserting that it should be one of the issues to determine beneficiaries of NCPAC help in the 1982 elections.

DOLAN HAD a blunter explanation of why his group wants to keep the loophole open: "Anybody who can get out of paying any taxes at any time, I support, whether he's the poorest of the poor or the richest of the rich."

Convention Action

Newspaper Guild Spurs Solidarity Day Turnout

Memphis, Tenn.—Delegates to the Newspaper Guild's 48th annual convention here unanimously committed the union—at both the international and local levels—to join "to the fullest extent possible" in the AFL-CIO's Solidarity Day demonstration on Sept. 19.

The Guild and its members, along with the rest of organized labor, "is beginning to pay the price" of the election of a big-business-oriented administration and congressional majority, the delegates observed in a resolution.

"How high that price will mount depends on us. . . . The need for a massive outpouring by labor and its traditional allies [for Solidarity Day] is acute," the convention declared.

IT STRESSED that the Reagan Administration must be given the message that America's working people recognize that its economic policy is not fashioned for their benefit and "promotes poverty and discrimination."

At the same time, they said, the Reagan Administration is "orchestrating" a campaign to dismember the U.S. Freedom of Information Act—the law that aims to keep the processes of government open to public surveillance so that it can be subject to public control.

The convention pointed to pending and proposed bills that would, among other things, bar disclosure of material submitted to the government on defects in manufacturers' products, prevent court review of any CIA refusal to release information, substantially broaden disclosure exemptions for law enforcement records, relax deadlines for fulfillment of requests for documents and limit an applicant's requests to one per agency per year.

"All those concerned with the public's right to be informed must unite" in a campaign to preserve public disclosure that is "as determined as the campaign by those who would destroy it," the convention said.

It also warned that without amendment a proposed revision of federal communications law now in the Senate could open the door to the telephone industry entering the field of electronic publishing."

The bill, should be amended to prohibit AT&T and other telephone companies from becoming providers of electronic information and advertising where they control transmission of such information and advertising, the delegates said.

THE CONVENTION issued its call for support of Solidarity Day after hearing Guild President Charles A. Perlik, Jr., point out that it will be "a day of solidarity with the miners whose black lung benefits Reagan has cut."

He cited also "victims of imprisonment, torture and murder at the hands of regimes whose human rights violations this Administration has decided it is in the interest of higher morality to overlook."

In other actions, the convention:

- Voted to increase dues and per capita payments to the international by 50 cents effective Sept. 1, with the additional funds to go to increase the union's staff of organizers by two, to 13. The increase will put the monthly per capita payment at $8.53 per month.

- Re-elected the union's three top officers—Perlik, president; Charles Dale, secretary-treasurer, and Harry S. Culver, international chairperson.

Four vice presidents also were elected by the convention when there were no opposing nominees for the positions. Nine other vice presidencies, all contested, will be filled by referendum in September.



CENTER STAGE at the Newspaper Guild's 48th annual convention—suspended above the speakers' dais—is the emblem of the Solidarity Day demonstration set for Sept. 19. Here, it looms over Guild President Charles A. Perlik, Jr., right, Sec.-Treas. Charles Dale, left, and International Chairperson Harry S. Culver as they exchange congratulations on their re-election to new terms.

Donahue Scores Safety Gap For Public Sector Workers

Unions face the double challenge of repelling Reagan Administration attacks on OSHA while stepping up their efforts to extend full safety protections to public sector workers, AFL-CIO Sec.-Treas. Thomas R. Donahue declared.

Addressing a two-day job safety conference sponsored by the federation's Public Employee Dept., Donahue said that basic protections against occupational injury and illness are lacking for 2.8 million federal employees and 13 million workers employed by state and local governments.

"HAZARDS THAT threaten the lives and health of American workers are not bounded by whether the employer is a chemical corporation, a federal shipyard, or a state or county highway project," he stressed.

Although occupational injuries and illnesses show a total disregard for job sector classifications, Donahue noted that public employees have been left in a kind of twilight zone—since they are not provided the same rights and protections workers in the private sector have under OSHA.

He pointed out the resources for the enforcement of standards for federal workers have been "puny and inconsequential," and will likely deteriorate further as a result of the Reagan Administration's budget cuts. Donahue also branded state programs for other public employees as weak and inadequately staffed.

But all workers—public and private—are in the same boat because "there is no question the Reagan Administration is out to gut the OSHA act," he warned.

RESPONDING to an earlier address by Assistant Labor Sec. Thorne G. Auchter, Donahue said he was unaware of any workers being "strangled" by enforcement of OSHA stadards.

Auchter, who heads the federal job safety agency, said that the Administration is moving on a broad front to reduce unnecessary federal regulation—"regulation that both labor and management have discovered is really strangulation."

Rep. Michael Barnes (D-Md.) told the conference that the combination of budget cuts, reductions of OSHA staff and shifting of federal jurisdiction to states will adversely affect job safety protection.

High Court Upholds Strike On Industry Pension Plan

The Supreme Court ruled that a union has the right to strike to back up a bargaining table demand that a company contribute to a multiemployer pension and welfare fund on behalf of its workers.

Its 8-1 decision, issued shortly before the court concluded its term, agreed with the position taken by the AFL-CIO and the National Labor Relations Board.

It reversed a ruling by the 3rd Circuit Court of Appeals which said a union's insistence on participation in a multiemployer pension plan amounted to dictating the choice of an employer bargaining representative, a Taft-Hartley law violation.

THE CASE involved the unaffiliated Mine Workers which sought to bring employees of a western surface mine under an industry pension plan. Because of parallels with other multiemployer plans, the AFL-CIO, the Sheet Metal Workers and a Sheet Metal Contractors' Association filed a brief supporting the union's right to strike.

Writing for the majority, Justice Potter Stewart said the appellate court was wrong in conceiving the role of an employer trustee of a pension plan as akin to that of a management representative at the bargaining table.

A trustee of an employee benefit fund, he ruled, "is a fiduciary whose duty to the trust beneficiaries must overcome any loyalty to the interest of the party that appointed him."

Further, the opinion noted, trustees don't function as collective bargaining representatives or in the adjustment of grievances.

Justice John Paul Stevens was the only dissenter in the case.

Brown New Chairman Of Mediation Board

Robert J. Brown has been designated chairman of the National Mediation Board, the federal agency that handles labor-management disputes in the railroad and airline industries.

Brown, who is 51, is a former Auto Workers' local officer in St. Paul and a member of the State, County & Municipal Employees during his several years of employment with the State of Minnesota.

Before becoming a member of the National Mediation Board in 1979, Brown had served as Under Secretary of Labor from March 1977 through August 1979.

Task Force Backs Two-Pilot Airline Crews

The current crop of new "high technology" airliners can be safely flown by only two pilots, a presidential task force has concluded despite testimony by the Air Line Pilots and Flight Engineers that the heavier workload in the computerized cockpits requires a third crew member for an "extra margin of safety."

The special panel appointed by President Reagan to study the crew complement issue found the McDonnell Douglas DC 9-80 to be safe for flight with a two-pilot crew and that the Federal Aviation Administration acted properly in its procedures for testing the "Super 30" before certifying it.

OTHER NEW generation aircraft soon to be marketed with cockpits designed for only two crew members also appear to be "potentially" safe, the report concluded.

The task force recommended, however, that the FAA take steps to strengthen and improve its process of certifying new jetliners by including consultation and participation by line flight crews in the procedure.

Both the ALPA and the FEIA have long been critical of the FAA's reliance on manufacturers' data in the certification process with the general exclusion of qualified line crews.

The report has been sent to the President, and Transportation Sec. Drew Lewis is expected to make the final decision to adopt its conclusions shortly.

ALPA PRESIDENT J. J. O'Donnell, stressing that he disagrees with many of the panel's major conclusions, said he will recommend to the union's executive board that the pilots abide by the results based on his commitment that the union would accept the panel's decisions "if the task force acted in a fair and objective way."

O'Donnell has called a meeting of the ALPA's executive board for July 14-15 to evaluate the full report and determine the union's position.

William A. Gill, Jr., president of the 7,000 member Flight Engineers, said the union is "very surprised and disappointed" by the decision.

Pointing out that no technical testing was conducted before the panel's decision was announced, Gill stressed that "the major issue in this matter is safety. We are convinced that removal of the flight engineers from the cockpit of future aircraft will endanger the lives of passengers and crew."

The union is currently studying the report and exploring its options "in order to prevent this serious threat to air safety."

The task force was established in March in response to a public information campaign staged by the flight crew unions to stimulate action on the safety controversy.

THE ALPA called off a scheduled work stoppage meant to dramatize the issue following announcement by President Reagan that he would appoint the special panel.

The task force, chaired by former FAA Administrator and Air Force Sec. John L. McLucas, included Fred J. Drinkwater III, chief of aircraft operations at NASA's Ames Research Center, and Lt. Gen. Howard W. Leaf, inspector general of the Air Force.

7/11/81

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Labor Asks 'Fair Trade' Policy

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Unions Press Postal Talks Near Deadline

By James M. Shevis

U.S. Postal Service negotiators, under pressure from federal mediators, resumed face-to-face bargaining with the two major postal unions seeking new contracts before current agreements expire at midnight July 20.

Postal Workers President Moe Biller and Letter Carriers President Vincent R. Sombrotto said that USPS officials, who at first refused direct bargaining, returned to the table and presented counterproposals on 14 secondary contract issues.

BILLER AND Sombrotto told reporters that they expected by the evening of July 19 to be able to assess whether an agreement might be reached before the old contracts expire and would consider extending current agreements if an accord appeared likely. They said they would not agree to a lengthy extension, however, only to around-the-clock bargaining.

Only hours before USPS negotiators returned to the bargaining table, Biller and Sombrotto told a National Press Club audience there had been absolutely no progress since talks got under way June 16. They charged that the USPS—specifically Postmaster Gen. William F. Bolger—had adopted "stonewalling" tactics, and made a sham of the collective bargaining process.

"For all intents and purposes, there has been no collective bargaining," Biller said in remarks aired by National Public Radio.

Sombrotto, addressing the same group, said Bolger "seems committed to demonstrating that collective bargaining is unworkable. He is determined to provoke a nationwide postal strike."

TOGETHER, the unions that Biller and Sombrotto head represent about 500,000, or 90 percent, of the nearly 600,000 unionized postal workers in the United States. They are seeking a 17.7 percent wage increase over three years, cost-of-living adjustments under an improved formula, plus other improvements in benefits and working conditions, including safety and health, grievance procedures, and the allocation of time to allow union

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TWO SENATE subcommittees considering trade issues hear AFL-CIO President Lane Kirkland call for a fair trade policy keyed to maintaining a diversified U.S. economy instead of the "free trade" advocated by the Reagan Administration. With him are AFL-CIO Legislative Director Ray Denison and Economist Elizabeth Jager.

Donovan Urged to Bar Weakening Wage Rules

AFL-CIO President Lane Kirkland has urged the Reagan Administration to release untouched new regulations governing the Service Contract Act and the Davis-Bacon Act. The proposed new rules had been scheduled to take effect early this year but were held up by the Administration following employer protests about them.

In a letter to Labor Sec. Raymond J. Donovan, Kirkland said the AFL-CIO is "gravely concerned" over reports that the Administration plans to scrap the pending rules in favor of its own proposals that would weaken the laws, which require contractors doing work for the federal government to pay area prevailing wages.

KIRKLAND POINTED out that the "embargoed" regulations, developed during the Carter Administration, are the fruit of two years of discussions between the government, the labor movement and employers. No group was completely satisfied with them, but there was general agreement that they were appropriate, Kirkland noted.

While the Reagan Administration has yet to formally issue its own proposals, Labor Dept. officials have conducted briefings outlining possible rule changes which Kirkland called "extreme."

The suggestion that Davis-Bacon and Service Contract Act rules might be relaxed to allow the greater use of helpers and trainees at lower wages could undermine the quality of governmental contract work," Kirkland asserted.

SUCH A change, he said, would damage apprenticeship programs, restrict one of the "major avenues to middle class living standards available to minorities," and "diminish the national resource of highly trained, productive, skilled tradespeople in the work force."

Kirkland said the AFL-CIO has found the methods of wage determinations under both laws to be "generally reasonable" and that the exceptions to the rules have been handled fairly.

He urged continued adherence to the

(Continued on Page 3)

Kirkland Hits Continuing Loss of Jobs

By David L. Perlman

AFL-CIO President Lane Kirkland branded the Reagan Administration's "survival of the fittest" trade doctrine "an abdication of responsibility" and warned that jobs continue to be wiped out in the name of free trade "in a world where free trade no longer has any meaning."

He called instead for a "fair trade" policy that would advance national goals of a diversified economy and full employment.

Kirkland presented labor's rebuttal to an Administration "white paper" on trade during joint hearings by two Senate subcommittees. The Administration's position paper, issued at the start of the Senate hearings, insisted that the future of U.S. enterprises and even entire industries facing import competition should be determined by world "market forces."

KEY WHITE HOUSE officials, including the chairman of the Council of Economic Advisers and the President's trade representative, testified in support of such a policy of "free trade" without government interference.

Kirkland protested that the Administration is basing its policies on an outdated textbook theory of free trade rather than on the realities of "the world as it is."

He noted that other nations have erected barriers to protect home industries, have enacted domestic content requirements for manufactured goods, and in various ways have subsidized exports.

"GOVERNMENT participation in trade must be recognized as an ongoing reality, not something to be avoided at all costs," Kirkland insisted. Both Congress and the President "have a responsibility for a trade policy that helps the nation at home as well as abroad."

In response to questions, Kirkland stressed that the AFL-CIO continues to believe in true reciprocity, achieved through "hard bargaining."

An important initial step toward fair trade, Kirkland insisted, is the enforcement of existing laws that prohibit dumping and other unfair trade practices, and

(Continued on Page 3)

High Rates Add $17 Billion to U.S. Interest Payment

The Administration's midyear review of the 1982 federal budget offers no hope for relief from the record high interest rates that it now says will cost the government itself an additional $17 billion this year and next.

The review, prepared annually for Congress, forecasts basically sluggish economic growth the rest of this year and next, with inflation running slightly lower than expected.

"LITTLE OR NO real output growth is expected during the remainder of the year," the Office of Management & Budget said in the report. It anticipates an increase of 2.6 percent in this year's "real" gross national product—the value of the nation's total output of goods and services stripped of the impact of inflation since 1972. Next year's real GNP is projected to rise 3.4 percent.

The report forecasts unemployment this year averaging 7.5 percent and rising as high as 7.7 percent in the final quarter. In 1982, the Administration predicts the jobless rate will average 7.3 percent, the current unemployment level.

The persistence of high interest rates

(Continued on Page 7)

Public Opposes Homework Revival

Labor Sec. Raymond Donovan's proposal to lift the government's 40-year-old ban against industrial homework is being buried under a torrent of unfavorable public reaction.

That's been the tone of the overwhelming majority of statements received by the Labor Dept. during the recently ended 60-day period for public comment.

EMPLOYER associations in the apparel industry don't like the deregulation proposal any more than do unions. State and local officials concerned at health and safety hazards in illegal work-at-home enterprises are appalled. And the chairman of a House Labor Standards subcommittee, Rep. George Miller (D-Calif.), gave Donovan a letter signed by more than 140 of his colleagues asking that the ban on homework be continued.

Miller has now added to the already bulging Labor Dept. file of more than 6,000 letters of protest the 122-page transcript of a one-day hearing his subcommittee held in Los Angeles, which has been plagued by illegal sweatshops in the women's garment industry.

A state senator, Joseph Montoya, said California's resources are already spread thin to try to monitor conditions in the legal segment of the industry. "What might we expect from attempts to monitor homework in 30,000 or 40,000 additional homes?" he asked.

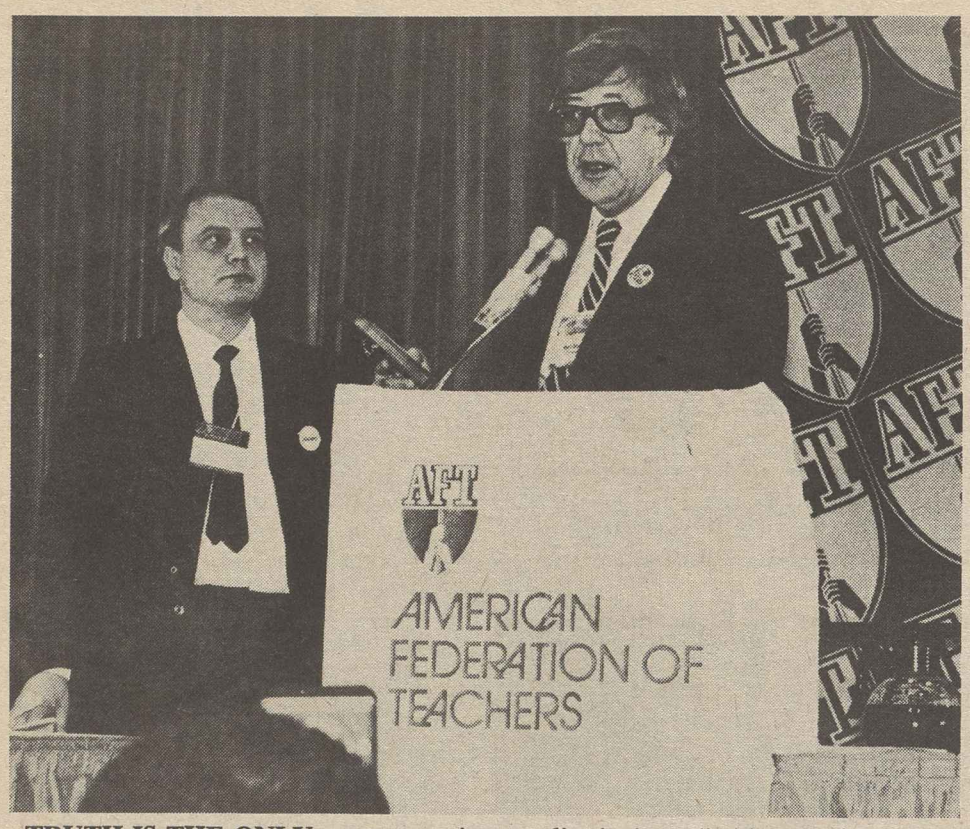
MERLE LINDA WOLIN, a reporter for the Los Angeles Herald-Examiner, told the subcommittee how she had posed as an illegal alien seeking work in the city's garment industry during an eight-month assignment that led to a series of 16 articles.

In her assumed role, she testified, "I earned less than the minimum wage, endured unsanitary, often dangerous working conditions, and saw many of my fellow workers toil commercially at home at what is known as industrial homework."

She talked with nearly 100 homeworkers, including some who worked 16 hours a day and others who brought bags of sewing from the shops where they worked during the day to be finished at night and on weekends. "They were all making below the minimum wage," she said.

EMPLOYER association witnesses said they would like to see federal wage-hour regulations and the ban on industrial homework made stricter and better enforced, rather than nullified or weakened. Peter Phillipes, a director of the Coalition of Apparel Industries in California, said elimination of the homework ban "would un-

(Continued on Page 2)



TRUTH IS THE ONLY weapon against totalitarianism, dissident Soviet writer Vladimir Bukovsky told delegates to the annual convention of the American Federation of Teachers in Denver. Bukovsky received the union's Human Rights Award from AFT President Albert Shanker, right, in recognition of his opposition to civil oppression in the Soviet Union for which he was imprisoned.

Block Grant System Opposed

Teachers Assail Slash Of Education Programs

Denver—The 65th annual convention of the American Federation of Teachers overwhelmingly approved two resolutions of strong opposition to the education and economic policies of the Reagan Administration, rejecting the defense of those policies by Education Sec. Terrel H. Bell in an address to the convention.

The delegates' resolution on education decried the Reagan Administration's block grants as "a vehicle for eliminating billions of federal dollars for millions of handicapped and disadvantaged children."

THE RESOLUTION opposing "the ill-conceived Reagan economic program" supported the stand of the AFL-CIO and called for restoration of the "major cuts made in federal programs in education, health and social welfare."

The delegates gave a solid endorsement to the call for broad participation in the Sept. 19 Solidarity Day protest issued by AFL-CIO Sec.-Treas. Thomas R. Donahue in his address to the convention The rally set for the nation's capital also was strongly supported in speeches by AFT President Albert Shanker, Rep. Patricia Schroeder (D-Colo.) and Executive Director John Leyden of the AFL-CIO Public Employee Dept.

AFT Human Rights Awards were presented by Shanker to Vladimir Bukovsky, a Soviet dissident whose opposition to civil oppression cost him more than 11 years of confinement in Soviet prisons and psychiatric hospitals, and to Bayard Rustin, chairman of the A. Philip Randolph Institute and long-time civil and human rights activist.

In accepting the award, Bukovsky warned of the spread of communist rule and domination in Angola, Ethiopia, Yemen, Cambodia, Laos, Vietnam and Afghanistan. He called on "the American people for help," declaring, "Our only weapon against the darkness of totalitarianism is the truth, and I believe it will be invincible once again."

Rustin urged the delegates to make evident their commitment to human rights, saying, "If you and I keep quiet while people are being destroyed, that is a human indifference that creates tragedy." Rustin was saluted for "his untiring efforts to achieve personal freedom and human dignity for all people."

After considerable debate, the delegates adopted a resolution on El Salvador supporting the position of the AFL-CIO. It called for U.S. economic aid upon fulfillment of the government's agrarian reform program, a "fair general election," followed by a constituent assembly, and government efforts to bring about the cessation of the murders committed by "the extreme right and left."

THE AFT delegates voted to support a Service Employees local, 60 of whose members at the Denver Federal Building were fired after a non-union firm received the building's custodial contract on July 1. The delegates marched from the convention hall to join the picket line during a recess in their deliberations.

In other actions, delegates approved a two-step increase in per capita payments to $4 per month effective Sept. 1, 1981, and $4.40 per month effective Sept. 1, 1982, to meet the effects of inflation and expand the union's programs.

Unions, Industry Outline Plan To Preserve Rail Retirement

Railway labor and management joined in asking Congress to approve new financing arrangements for the 45-year-old railroad retirement system to safeguard it from threatened collapse.

Representatives of the two parties proposed a legislative package to the House Ways & Means Committee which would also provide limited borrowing authority to solve a temporary cash flow problem facing the retirement fund.

UNDER THE financing plan, worked out by railroad unions and carriers over the past two years, the railroads would increase their contribution under Tier II of the Railroad Retirement Act from 9.5 to 11.75 percent of a worker's taxable wage base of $22,200 during the 1981 calendar year. Employees would pay a 2 percent contribution on the same wage base, their first under Tier II.

Railroad workers' retirement benefits come from two sources, known as Tier I and Tier II. Tier I benefits are the same as social security benefits paid workers in other industries and are financed by worker and employer taxes at the same level. Tier II benefits are paid under a program financed entirely by the carriers and administered along with the Tier I program by the Railroad Retirement Board. The new legislative proposal, endorsed by two of the three board members, would in effect convert the Tier II program into an employee-employer contribution fund.

Maintenance of Way Employees President O. M. Berge, who is also chairman of the Railway Labor Executives' Association's pension committee, told the congressional panel that the additional taxes would generate over $500 million for the coming fiscal year and, together with certain curbs on benefits payments, make up a foreseeable shortfall in the retirement fund to keep the system solvent at least through 1991.

"Both the proposed increase in taxes and the borrowing are inseparable parts of the complete package," Berge said. "Since the future of the system as a railroad retirement pension program depends at this critical time on enactment of this complete package, we join the carriers in urging immediate enactment of the entire proposal."

Berge said the agreement between the industry and the RLEA, an organization representing 21 unions with members employed by the nation's railroads, is needed to avert the collapse of the pension fund, which he said would inevitably follow without enactment of the package. The proposal is before the House Ways & Means Committee since that panel must approve all federal tax changes.

SPEAKING FOR railroad management, Charles Hopkins, Jr., chairman of the National Railway Labor Conference, told the House panel that the proposed package would solve the fund's financial problems for the next 75 years.

The pending proposal would allow short-term loans from general revenues to tide over the railroad pension fund's liquidity position. While both the labor and management members of the retirement board support the loan proposal, Board Chairman William Adams, representing the public, expressed concern over the lending of general revenue funds for such purposes.

Friedman Appointed UAW Research Chief

Detroit—Sheldon Friedman has been named research director of the Auto Workers to succeed Howard Young, who is now director of UAW's social security department. Friedman had been a research associate with the union since 1975.

The UAW also announced that Stephen L. Schlossberg, director of government and public affairs at the union's Washington office since 1977, will return to private law practice Sept. 1. Schlossberg joined the UAW staff in 1963 and became general counsel in 1966.

Unions, Employers, Public Oppose Revival of Homework

(Continued from Page 1)

dermine the Labor Dept.'s ability to enforce the minimum wage, overtime, child labor and health and safety standards that are so important to garment industry workers."

Amado H. Gallardo of the California AFL-CIO staff, who heads the state affiliate of the Labor Council for Latin American Advancement, said contractors who farm out work to be done at home avoid the cost of complying with social security and unemployment insurance laws, as well as safety and health standards, in addition to cheating on the wage-hour law.

"Yet even paying wages below the minimum is not low enough for these illegal contractors," he testified. "Very often firms report undocumented homeworkers to immigration authorities right before pay day so they can avoid paying any wages at all," Gallardo told the subcommittee.

Cornelius Wall, western regional director of the Ladies' Garment Workers, said the regulatory changes that Donovan proposed would increase violations of the wage-hour law "and make it increasingly difficult for fair employers to operate their factories and to meet unfair competition from those firms that rely on homeworkers."

The ILGWU, whose members are most directly affected by the Donovan proposal, also submitted a 66-page statement to the Dept. of Labor outlining the union's objections to lifting the homework ban.

IT CITED the complete lack of any documentation for the proposal to allow homework in the seven industries where it had been banned—women's apparel, knitted outerwear, embroidery, gloves and mittens, buttons and buckles, handkerchiefs and jewelry.

"Abolition of the ban on industrial homework will seriously erode the working standards of tens of thousands of garment and other workers and do irreparable harm to many, many small business employers and the community at large," the ILGWU stated.

Five Predecessors Denounce Donovan's Homework Plan

Five former Secretaries of Labor have joined in urging the Labor Dept. not to legalize homework in the apparel trades, as Labor Sec. Raymond Donovan proposed.

To do so, their letter warned, "would be to turn America back to the dark ages of industrial homework."

The strongly worded statement was signed by Arthur J. Goldberg, who served in the Kennedy Administration; Williard Wirtz, who served under Presidents Kennedy and Johnson; Peter Brennan, from the Nixon and Ford Administrations; John T. Dunlop, who was in President Ford's Cabinet, and Ray Marshall, who headed the department throughout the Carter Administration.

Their letter cited the "decades of sad experience" that led to the banning of industrial homework.

"Workers toted their bundles to their home, where no effective check could be made on what happened. They worked endless hours without overtime pay. They involved the whole family. . . . Safety and sanitary standards did not exist," the letter recalled.

To compete with these conditions, the letter continued, "wages had to be depressed" and "good employers had to imitate bad employers."

To legalize homework, the former Cabinet members warned, "is to invalidate every law passed in the last half-century to bring a measure of humanity to America's industrial workers."

Pacific Southwest Pilots Switch Affiliation to ALPA

San Mateo, Calif.—Pilots for Pacific Southwest Airlines voted overwhelmingly to join the Air Line Pilots Association.

In an election supervised by the National Mediation Board here, ALPA was chosen over the Southwest Flight Crew Association by a vote of 395 to 53. The latter had represented the PSA pilots since 1967.

Continuing Job Losses Cited

'Fair Trade' Policies Pressed by Kirkland

(Continued from Page 1)

that are intended to provide relief for industries endangered by imports.

Kirkland spoke of the decline of American-flag shipping starting soon after World War II, and the subsequent decades in which imports made deep inroads in textiles, steel, shoes, autos, electronics and parts manufacture.

Now even service jobs are going abroad, following the flow of American capital, he noted.

"Millions of Americans have lost their jobs through no fault of their own as a result of trade policies. Lost jobs, devastated communities and eroded tax bases dot the U.S. landscape," he testified.

YET IN THE face of a demonstrated need for improving the trade adjustment assistance program for workers injured by exports, "the current budget would effectively end trade adjustment assistance. The paltry sum now available in the budget amounts to another broken promise to those who pay the price of trade liberalization," he charged.

Kirkland said in response to a question that the AFL-CIO had clung as long as it could to the ideals of open trade among nations. But union members were losing their jobs. "We followed our membership and reached the common sense conclusion that there must be something wrong. . . . We were exporting not goods, but the means of production."

In addition to effective enforcement of existing laws, Kirkland urged:

- Repeal of laws that give U.S. firms incentives to invest abroad "in order to take advantage of multibillion dollar tax subsidies and insurance for overseas investment. Firms that go abroad for cheaper labor should not be given subsidies to do so."
- An end to the zero tariff and import preference the United States now gives to imports of more than 2,700 products from 140 nations and territories. "These special privileges do not aid the neediest people abroad" as the law is intended to do, Kirkland testified, "and the imports injure U.S. industries and jobs."

IN RESPONSE to questions, Kirkland said zero tariff concessions should be negotiated bilaterally in terms of U.S. interests, humanitarian considerations and adherence to the health, safety and labor standards conventions that have been promulgated by the International Labor Organization but ignored by many of the nations that have ratified them.

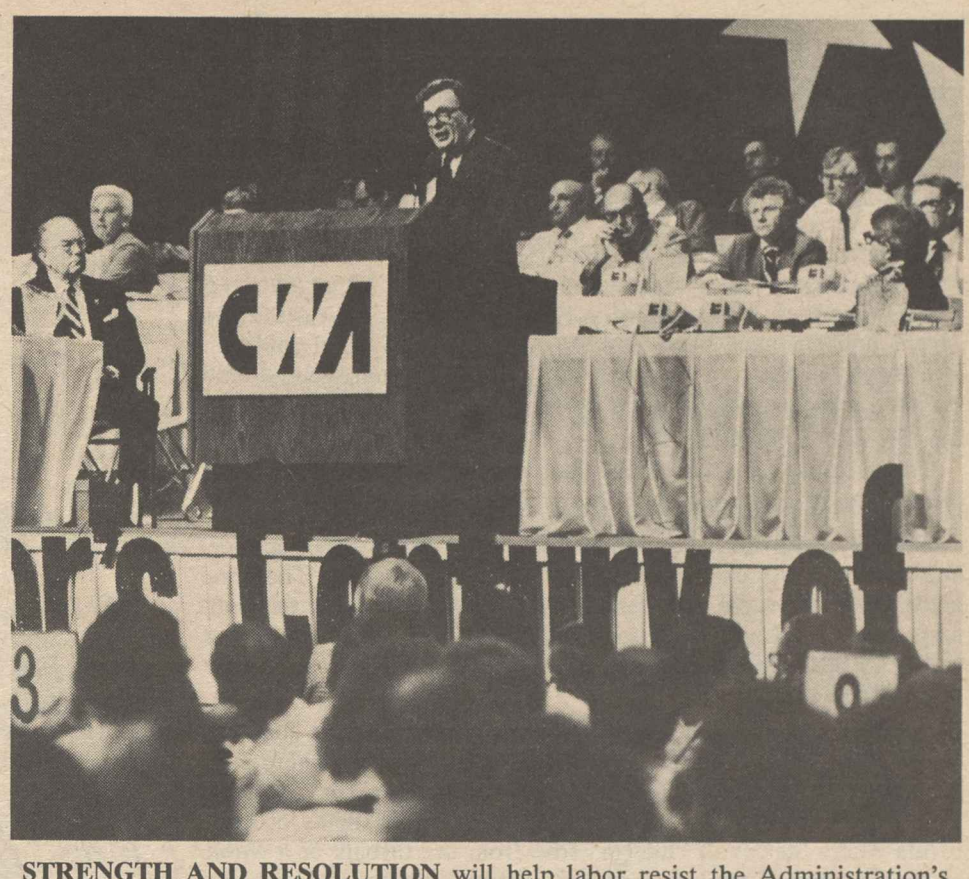
Also, he said, "there should be some assurance that benefits of U.S. trade concessions go to the general population, not just an elite."

- Enactment of a domestic content law, such as those already in effect in most of the nations of the world which require companies to make a certain percentage of the contents of a product, such as a car or a machine, in that country. "The U.S. needs to adopt such content laws for essential industries or it will become an assembler of foreign-made parts," Kirkland insisted.

HE TERMED the "market-place" philosophy of the Reagan Administration "social Darwinism" of the type that bred the robber barons of the early years of American industrialization.

An America stripped of its industries cannot remain a world leader, Kirkland warned.

Trade decisions, he urged, must advance the goals of "a diversified industrial base with the skills and services of an advanced economy. Only a policy to create full employment and rising living standards at home will enable the United States to maintain its cooperative role as a leader in the world."



STRENGTH AND RESOLUTION will help labor resist the Administration's efforts to reverse years of social progress, AFL-CIO President Lane Kirkland told the 2,500 delegates to the Communications Workers' 43rd convention in Boston. Kirkland urged the delegates to build coalitions with labor's allies to fight damaging budget cuts and assaults on workers' protections by labor's foes.

CWA Delegates Rap Reagan On Economy, Social Security

Boston—The economic problems of the nation formed a dominant topic of debate and discussion at the 43rd annual convention of the Communications Workers here with the Reagan Administration drawing heavy criticism for mishandling the economy and seeking severe reductions in the social security program.

Calling social security a "40-year contract between American workers and the federal government," CWA delegates insisted in a resolution that there are "better, more responsible ways" to restore fiscal health to the system and eliminate waste than the proposals of the Reagan Administration.

THE CONVENTION called on President Reagan and Congress "to concentrate their efforts on finding an equitable method of financing our social security program."

CWA President Glenn E. Watts, in his opening address, set the tone for the week when he assailed the Administration's economic policies as "by and large, the economics of big business applied to government. The aim is to run a government of the corporation, by the corporation and for the corporation."

Other speakers sounded similar themes, including AFL-CIO President Lane Kirkland, Massachusetts Senators Edward M. Kennedy and Paul Tsongas, House Speaker Thomas P. O'Neill and National Urban League President Vernon Jordan.

JORDAN WENT to the Bible to describe his view of the Reagan approach to domestic issues facing America's working people: "To those who have, to them shall be given. To those who have not, even that which they seem to have shall be taken away."

The ideal test of a budget, Jordan said, "should be whether it meets the needs of the nation while providing poor people with opportunities to join the mainstream. This budget fails that test."

In other actions, delegates adopted a resolution calling for more stringent penalties in criminal cases involving the use of firearms.

The delegates also spoke out strongly on the issue of sexual harassment in the workplace, supporting "the efforts of the Equal Employment Opportunity Commission to keep sexual harassment as a proper matter for Title VII anti-discrimination enforcement."

ON THE CLOSING day of the convention, Watts announced that CWA's Committee on the Future—established by CWA Executive Board action to visualize "what the future holds for American society, for CWA and for organized labor"—will hold its first meeting beginning July 30 in Chicago.

One member from each of the union's 12 geographic districts was elected to the committee during the convention week. These 12 rank-and-file members will have votes, while Watts was given authority to vote in the event of a tie and to serve as chairman. Other CWA officers and staff—appointed by Watts—will have seats without voting rights on the committee.

The delegates, after lengthy discussion, also placed before the committee the task of considering CWA's public image and its logo, or seal.

Continued State Role Urged In Setting Interest Rate Limits

States should be allowed to set interest rate ceilings for consumer loans and credit purchases, the AFL-CIO insisted in testimony before a Senate Banking subcommittee.

Henry B. Schechter, director of the AFL-CIO's Office of Housing & Monetary Policy, urged rejection of two bills that would assert the principle of federal preemption so as to nullify usury laws that set interest ceilings.

ONE BILL under consideration is so drawn that it would affect only Arkansas, which for 107 years has had in its constitution a 10 percent ceiling on consumer credit charges.

Schechter noted that the people of Arkansas have repeatedly voted down attempts to raise or eliminate the ceiling.

Despite the complaints of retailers, he said, the evidence is that the 10 percent ceiling has been beneficial to the state's economy as well as to the pocketbooks of its residents. The large chains, he noted, solicit and extend credit at the 10 percent rate while advertising their goods at the same prices charged in nearby states without credit rate ceilings.

Also before the committee is a broader measure that would amend a 1980 law to make permanent federal pre-emption of interest rate ceilings on business and agricultural loans unless a state acts within three years to re-enact an interest ceiling and to nullify all consumer credit interest rate ceilings.

THE LEGISLATION would eliminate the present federal ceiling on business and farm loans, which is set by a formula tied to changes in the Federal Reserve System's discount rate.

Schechter urged that if state ceilings are to be voided, the federal government should impose an appropriate ceiling rate to keep interest "from rising to destructive levels." Further, he suggested, if the law is made permanent, states should be free to enact their own interest ceilings at any time instead of being restricted to the three years after passage of the law.

State interest ceilings have been made a scapegoat for the economy's failings, Schechter charged. In states that have eliminated ceilings, he noted, interest rates have risen rapidly—and so have business bankruptcies.

Donovan Urged to Shelve Weakening of Wage Rules

(Continued from Page 1)

"30-percent rule" in applying the Davis-Bacon Act. That rule, retained in the Carter regulations, bases the prevailing wage for a job classification on the wage received by the largest number of workers in that class, as long as they account for at least 30 percent of all workers in the classification.

Kirkland dismissed contractor complaints about paperwork as a "euphemism to avoid compliance" with Davis-Bacon standards.

THE PENDING regulations for the Service Contract Act which strengthen the "conforming process" should also be maintained, Kirkland asserted. That process governs how the wage relationship is set between jobs with wage rates that appear in government surveys and those jobs unique to particular contractors. The Administration is considering giving employers freer rein in setting these wage rates.

Kirkland expressed concern over reports that the Administration wants to change the definition of contracts covered under the Service Contract Act to make it apply only to work defined as "principally for services."

This could amount to virtually a repeal of the law, Kirkland warned, since it would exclude over half the contracts now covered and leave thousands of workers without protection.

If the Administration's suggestions become rule, a contractor who sells the government office machines and also provides repair services would be exempt from meeting wage requirements since the principal purpose of the contract could be defined as sales rather than service.

The AFL-CIO believes, Kirkland told Donovan, "that when all sides are heard and the matters fairly weighed, you will issue the embargoed regulations without change and give them a fair trial."

Dotson Confirmed For Labor Dept. Post

The Senate confirmed by voice vote the nomination of Donald L. Dotson to be assistant secretary of labor for labor-management relations.

Dotson, 42, had been chief labor counsel of Wheeling-Pittsburgh Steel Corp., and earlier had been an attorney with Western Electric Co., Westinghouse and the National Labor Relations Board.

Several top Labor Dept. posts are still unfilled, including the undersecretary, the department's second highest position.

Unchanging Goals

WHAT WE HAVE in the AFL-CIO is not a governing body that makes rules for workers, but a working tool that workers employ for their own mutual benefit. It is a federation of autonomous unions, coordinating their efforts and moving forward on those issues on which consensus exists.

We have not succeeded in all of our aims. But we have made something more than a clearing in the wilderness. Education and leisure have been democratized in this country. Good nutrition and decent housing have been brought within the reach of millions. The dignity of the trade unionist on the job has been secured, and we have made a start toward universal health care, family security and retirement with dignity.

Those things we have done not by trampling on the rights of others, but by upholding the rights of all.

THE PAGES OF U.S. labor history are filled with sacrifice, and in some cases with the blood of American workers. The mine fields of Pennsylvania and Kentucky, the Haymarket riot, the Pullman strike, the Ludlow massacre, the "Battle of the Overpass" at Ford, all bear ample testimony to the struggle of this movement to grow and survive.

In more recent years, that struggle has continued in southern textile towns, on the concrete sidewalks of major cities where public employees, including teachers and hospital workers, struggle even for the recognition of their union, and in the fields of California where the cry of "huelga" rose from the throats of a whole new generation of the poor and the deprived, struggling to be part of a movement.

We are a movement born in struggle, and we are still prepared to struggle if, as, and when necessary, to protect our rights. And we are prepared to help others in their struggle as well. What we want for ourselves, we want for others—all others—and from the beginning we have reached out to our brothers and sisters in other lands.

Here at home, we have not the slightest intention of giving up or letting up on the unfinished task of humanizing our own society.

WE HAVE NOT the slightest doubt that in the long run our values will prevail, and that America will return to the goal of equal rights, equal justice, and equal opportunity.

We have a duty to help bring that about through reason and through a decent regard for the lessons of the past, rather than by repeating those painful experiences.

There is a lot of frustration among trade unionists around this country as we make that effort, but it is, happily, the frustration of optimists who think it is possible to change the world for the better, and are frustrated by the fact that it takes so long and isn't a steady haul.

It is, happily, the frustration of people who believe in what they are doing and know it is right, and yet are frustrated that the opposition sometimes blocks our progress.

It is, happily, a frustration manifested in the searching for new and better ways to seek our unchanging goals.

—AFL-CIO Sec.-Treas. Thomas R. Donahue to American Federation of Teachers convention, Denver, July 6, 1981.

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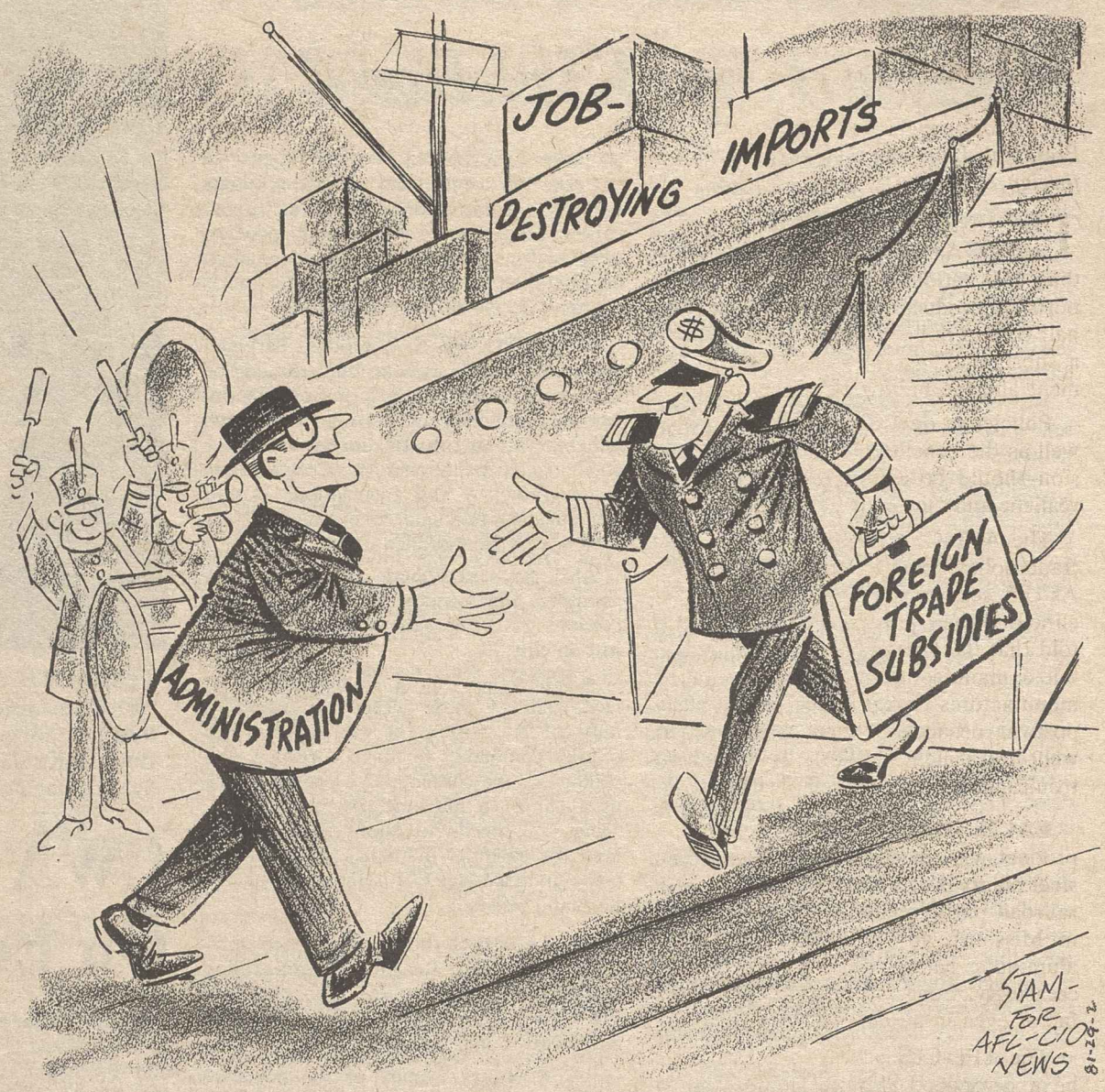
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'Welcome Ashore!'



Sting Felt Abroad

America's Allies Raise Cain Over Steep U.S. Interest Rate

By Gus Tyler

IN SWITZERLAND, a few days ago, the representatives of 24 nations charged that America's high interest rates were ruining their economies.

The American representative retorted that their low interest rates were wrecking our economy.

To most plain people, the exasperating exchange seems esoterically irrelevant. Our only experience with high interest rates takes place when we try to borrow some money, usually for a big item like a mortgage, and discover that just about nothing has risen in price as rapidly as the price of money itself.

WE HAVE a reason, a very personal reason, for being annoyed and angry. But why do big grown up nations—24 of them who are sufficiently advanced and industrialized to belong to the Organization for Economic Cooperation & Development—bicker so bitterly over high interest rates?

The reason is that high interest rates don't just affect us; they affect the whole world, especially the OECD nations who are generally our international allies.

The notion that high interest rates would control inflation became the prevailing principle of our economy about 1969 and has continued to dominate our business life ever since, through four administrations from Nixon down to and including Carter and Reagan. The theory was that high rates would curb borrowing and, thereby, curb the money supply, and, thereby, hold down prices.

THERE IS GOOD, sound evidence to prove that this mumbo-jumbo is a menacing myth and that it is counterproductive even if the United States were able to seal off its economy from the rest of the world. But in a world where currencies (money supplies) flow across national boundaries, the high interest rate theory is as effective as a sieve carrying water.

What happens is that money in other countries flows into the United States to take advantage of our high interest rates. The result is double: it increases our money supply, which is not what we intended to do; it decreases the money supply (the capital resources) of other countries, which is something that they don't want, because they need that money to provide growth and jobs in their economies.

So the other nations of the OECD complain. As a result of U.S. policy, said Claude Cheysson of France, "employment is falling everywhere, trade is suffering, and there is no industrial investment." In short, Europe is anemic from a loss of blood (capital) to the United States.

The U.S. Under Secretary of State for Economic Affairs, Myer Rashish, countercharged that the Europeans just lacked the political courage to bite the bullet in the macho manner of our own President Reagan. He wants them to do as we are doing: jack up the interest rates.

BUT IF THEY do—which they won't as they face the threat of their present 23.5 million jobless rising to 28 million by the end of 1982—they would reverse the money flow and begin to drain America of the capital we allegedly need to sorely improve and expand our own economy.

So to strengthen the dollar we will have to raise interest rates again and Europe will have to follow suit in an ever escalating war of economies where prices and unemployment both continue to rise along with political tempers domestically and internationally.

In short, the high interest rates that have been bad for us at home are now making for bad blood between the United States and our allies in other lands.

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AFL-CIO
SOLIDARITY DAY
SEPTEMBER 19, 1981

U.S. Jobs, Standards at Stake

Updated Trade Policy Needed To Counter Foreign Barriers

The following is from testimony by AFL-CIO President Lane Kirkland at Senate hearings on foreign trade issues, July 13, 1981.

THE UNITED STATES needs a modern trade policy. As the United States trades with more than 150 nations and territories, imports and exports of products will be worth more than one-half trillion dollars this year. This trade will have a substantial impact on jobs, technology, investment and the industrial destiny of this nation.

Policies to deal with the price to our nation as well as the benefits of this enormous trade expansion should be restructured in a comprehensive, realistic and fair manner. It is time for this change.

The AFL-CIO has heard the explanations for trade policy come full circle since World War II. As U.S. seamen watched the shipping industry decline and their jobs go to foreign flags, they were told that the United States is not a service nation but a manufacturing nation and that exports of manufactures create jobs. However, in the three postwar decades, various types of manufactures went into deficit: textiles, steel, shoes, autos, electronics and some kinds of machinery.

EACH TIME, exports of a higher technology product was given as the "answer." But the lost steel plants in Pennsylvania, autos in New Jersey, railroad parts in California, shoes and machinery in Missouri, and electronics, glass, rubber and aluminum nationwide left expensive scars. Increasingly, huge imports of parts were a major factor even in aircraft and computer sales.

The AFL-CIO believes the United States must be a diversified manufacturing, agricultural and service economy, with the full complement of technological industries. Anything less is a failure to develop the resources and industries this nation can provide for full employment and rising living standards. Trade is part of that goal—not the other way around.

A FAIR TRADE policy can help build that goal. A policy of government abdication of responsibility in the name of free trade can make the losses from trade much higher than the gains for most Americans.

A fair U.S. trade policy would:

● Provide a full account of what happens in the real world, a world where free trade does not exist. Other nations in the world do not apologize for pursuing their national interest. Yet the United States is under constant assault when suggestions are made to move in the U.S. national interest.

● Enforce U.S. laws and international agreements against unfair trade practices so as to allow U.S. producers and workers a chance to improve industries impacted by trade. Procedures that now inhibit appropriate responses should be simplified.

● Monitor imports and exports and their impact on the U.S. economy. Such detailed monitoring is required now, but it does not exist. Without such monitoring, industries and workers now injured by imports are not able to make their case and solutions are not provided.

● Achieve reciprocity. Where other nations bar U.S. products through one means or another, the opportunity to enforce U.S. laws to gain access should be encouraged to even out the burdens in the world. Equivalent access to foreign markets is key.

● End the incentives U.S. firms now have to invest abroad in order to take advantage of multi-billion dollar tax subsidies and insurance for overseas investment. Firms that go abroad for cheaper labor should not be given subsidies to do so. These subsidies and pressures for expansion or relocation abroad should be repealed.

● Repeal counterproductive laws. For example, the United States now grants zero tariffs or preferences for imports of more than 2,700 products from 140 nations and territories. These special privileges, called the Generalized System of Preferences (GSP), do not aid the neediest people abroad, and the imports injure U.S. industries and jobs. This GSP should be repealed. At a bare minimum, Congress and the Administration should remove import-sensitive products from the list, guarantee that only the neediest countries receive the benefits, and exclude communist economies.

● Establish national security policy goals that provide not only an adequate defense but also a fully employed, strong economy. Only a strong United States that has the means to feed, house, clothe and transport its population can provide adequate national security.

● Provide realistic adjustment assistance for those injured by trade. The cost to the nation of losing its pool of skills is severe. Millions of Americans have lost their jobs through no fault of their own as a result of trade policies. Lost jobs, devastated communities and eroded tax bases dot the U.S. landscape. Yet these losses are not even measured, much less corrected.

DISCUSSIONS OF world trade barriers in Washington in 1981 lead the uninformed observer to believe the United States has many barriers to trade and the world has very few. The facts are the reverse. The world's economies have planning, import regulations of all kinds, export requirements and export subsidies, as well as requirements to produce within their borders. No such protection exists for U.S. industry, which only can move abroad and/or become importers.

Attempts to carry out international agreements or other pursuits of U.S. rights are regarded as protectionism—but little attention is paid to actions of other nations against the United States and to constant barriers to U.S. exports. That is not fair.

Unmet Demand Mounts

Continued Slump in Housing Tied to Tight Money Policies

THE SLUMP THAT has held housing construction to near-recession levels since the mid-Seventies deepened in late spring, and there is little hope for substantial recovery under the Administration's tight money and high interest rate policies, John S. Rogers, secretary of the Carpenters, declared on Labor News Conference.

The lag of new housing starts is so bad that it would now take nearly three times the current 1.3 million annual rate "just to meet the current demand," Rogers said. He said an "aggressive government policy" of housing finance that "takes a share of the money out of the monopoly game" could meet the nation's housing needs. He suggested that the Federal Reserve Board could, for example, require that a small percentage of bank funds be retained for only low-interest mortgages.

Rogers agreed that negotiated pension funds are a good source of housing funds, but noted that their potential is limited by legal fiduciary obligations that loans be made at current market rates, and also by the reality that most of the retirement plans are dominated by management trustees.

He pointed out that long-standing AFL-CIO policy encourages unions to "set aside certain portions of their portfolios for mortgages," and that the Carpenters have committed some 6 percent of their total portfolio for such purposes.

TURNING TO the conservatives' attack on the Davis-Bacon Act, Rogers said the Administration's approach is a serious threat to an important "stabilizing factor" in a "very volatile industry." He said repeal or weakening of the act could also do serious damage to the apprenticeship programs that are the best assurance that "we're building the master craftsmen of the 21st Century."

Rogers said the Carpenters union, which is now celebrating its centennial year, has played a key role in the battles for many of the social and economic programs that the Administration is now dismantling and has pledged its full support to the AFL-CIO Solidarity Day protest in Washington, Sept. 19.

Washington Window

By Press Associates, Inc.

EMBOLDENED by a conservative political climate, reactionary forces in the land have launched an all-out drive to enact a singularly vicious piece of legislation.

Employing scare language conjuring up a specter of union-inspired violence, the National Right to Work Committee is spearheading a campaign to make strike-related "violence," or the threat of such violence, a federal crime.

This means that a striking worker involved in a picketline scuffle, or whose words or gestures were perceived as threatening, could be hauled into court by federal prosecutors, fined $10,000 and handed a 20-year prison sentence.

TO THIS END, Sen. Strom Thurmond (R-S.C.), who chairs the Senate Judiciary Committee, has introduced a bill to amend a 1946 federal anti-extortion law known as the Hobbs Act. Thurmond's amendment would extend the act and its penalties to include labor disputes.

The Thurmond amendment, which 12 conservative Senate Republicans have co-sponsored, would overturn a 1973 Supreme Court ruling that union activities do not fall under the Hobbs Act. It was introduced in the House by Rep. J. Kenneth Robinson (R-Va.) with 32 GOP and five Democratic co-sponsors.

To drum up public and congressional support for the Hobbs amendment, the Right to Work Committee has pulled out all the stops.

In a mass mailing to some 2 million potential contributors to its ultra-conservative cause, the committee charges that "union terrorism" is on the rise and that, as a result of this terrorism, "hundreds of thousands of America's working men and women are prisoners of the pick-handle closed shop."

In addition, the right-wing committee has started a new publication called "Violence Task Force Report—A Monthly Probe Into Compulsory Unionism Violence."

To top it off, the committee is trying to buy TV time for its new 30 minute scare film—"The Specter of Violence."

To rebut the distortions, the AFL-CIO has produced a six-minute film which any TV station airing the Right to Work Committee film will be asked to broadcast under the federal Fairness Doctrine.

PROPONENTS OF the Hobbs Act amendment sometimes try to conceal their aims by claiming it would apply to employers as well as employees. But it wouldn't work that way since extortion, as prohibited in the Hobbs Act, means taking something material from someone else. Since the worker, not the employer, is trying to gain something material by striking, the employer in effect would be exempt from the amendment.

As a labor expert on legislation sees it, "if an employer or his agent went out to the picket line and threw a punch, he would be subject to state and local prosecution, whereas an employee who hit back would be subject to federal prosecution and far greater penalties."

The amendment would apply not only to actual violence but to "what somebody perceives to be a threat on the other end," the labor expert noted. "If someone says he was threatened by what somebody said or by the way he held his picket sign, we have an instance which might be subject to prosecution."

EXISTING state and local laws provide adequate sanctions against violence, whether on the picket line or the ball field.

Furthermore, the pro-amendment scare propaganda ignores the fact that strike-related violence is so rare that the FBI's comprehensive statistics on crime don't even include a category for it.

By imposing an unnecessary and slanted federal role on top of local law enforcement, Hobbs amendment proponents aim to put a damper on strikes and strikers.



LITTLE HOPE is seen for significant recovery from the slump that has held the housing industry to near-recession levels since the mid-Seventies as long as the Administration pursues its tight-money and high-interest rate policies, Carpenters Sec. John S. Rogers, center, said on Labor News Conference. Questioning him were Robert Cooney, left, of Press Associates, Inc., and Jerome Cahill of the New York Daily News. The AFL-CIO public affairs interview is aired weekly on Mutual radio.

Unions Press Postal Talks Near Deadline

(Continued from Page 1)

stewards to handle union business.

Two smaller unions, the Laborers' Mail Handlers division and the unaffiliated Rural Letter Carriers, are bargaining jointly at a second location.

Biller told newsmen following the APWU/NALC Joint Bargaining Committee's July 9 wage proposal presentation that "we can get an agreement by July 20 if management picks up the pace immediately and enters into good-faith bargaining. . . . Such a commitment would be, however, a complete reversal of everything they have shown up to this time."

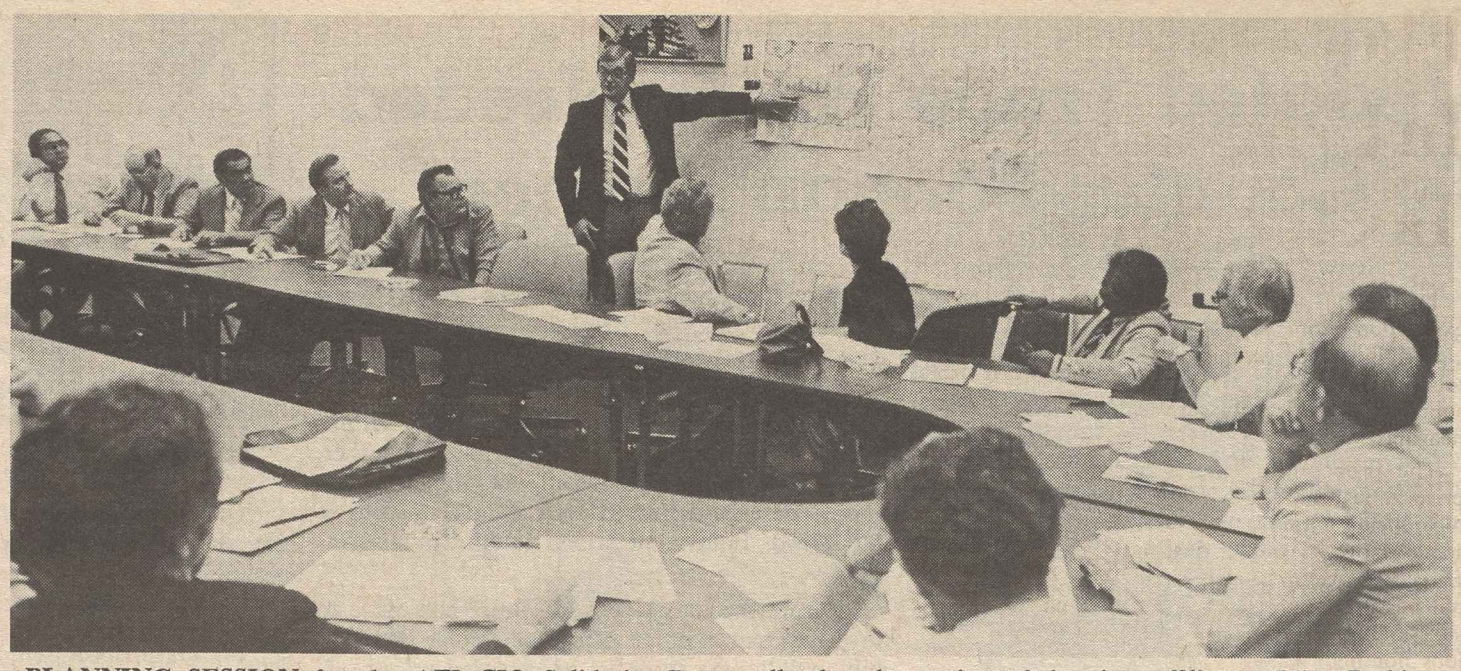
MEANWHILE, Bolger threatened to fire any postal worker who strikes or slows mail deliveries. The threat came in an insert accompanying employees' July 17 paychecks.

The union's economic proposals are based on an analysis by independent Washington consultant Joel Popkin, a former senior staff economist for the Council of Economic Advisers in the Nixon and Ford Administrations. They call for a first-year wage increase of 5 percent, plus a 2.7 percent "catch-up" raise to make up for inflationary losses over the period of the old contract, and 5 percent general wage boosts in each of the other two years of the contract.

IN ADDITION, the unions are seeking an improved COLA formula that would provide a 1-cent increase in hourly wages for each quarter-point increase in the federal government's consumer price index. The existing agreement provides for a 1-cent wage increase for each four-tenths of a point rise in the CPI. The unions estimate that the new formula would recover about 88 percent of inflationary price increases, compared to about 65 percent under current agreements.

"We've offered the Postal Service a reasonable, well-supported wage proposal which recognizes worker needs, increased worker productivity, and the concerns of the American people," Sombrotto told the National Press Club audience.

Biller noted that the USPS's "stonewalling" tactics did not develop overnight. He reviewed the bargaining history that saw talks stalled seven weeks this spring while Bolger unsuccessfully tried to get the USPS bargaining unit redefined.



PLANNING SESSION for the AFL-CIO Solidarity Day demonstration in Washington brought together union representatives who are overseeing preparations for the Sept. 19 rally for the various federation affiliates. John Perkins, Solidarity Day coordinator, pinpoints staging areas, march routes and assembly positions on the National Mall.

Auto Unions in 18 Countries Map General Motors Goals

Dearborn, Mich.—Trade union leaders representing General Motors Corp. workers in 18 countries agreed to closer international ties to counter the growing worldwide integration of big automakers such as GM.

"Because our wages and working conditions still vary considerably from country to country, while our actual jobs are the same, we feel that growing international integration of car and truck production—the so-called 'world car' and 'world truck'—is acting partly as a spur binding us closer together," they said in a resolution adopted at a two-day meeting here organized by the International Metalworkers' Federation.

THE 40 FOREIGN and 250 U.S. delegates to the conference pledged to work jointly and separately toward five goals: "substantial" reductions of worktime, less overtime and an end to all compulsory overtime, earlier retirement with no reductions in benefits, a uniform worldwide health and safety code, and the elevation of wages and benefits "to the highest level in the GM empire."

The world's largest automobile manufacturer, General Motors last year reported a loss of $762.5 million and laid off 101,000 workers. An IMF report prepared for the conference noted that "from a position of market dominance and ability to set prices, GM has descended to asking favors from its constituents and employees."

In response to the company's call for help from labor, the IMF resolution suggested that GM first put an end to any opposition to union organizing anywhere, recognize its workers' rights to organize, strike, and have shop stewards, retrain workers idled by new technology or plant closings, provide certain financial disclosures to labor, and offer a role in management for unions seeking it.

GM AND THE world auto industry in general are in the middle of a "giant shakeout" with deep impact on the present and future lives of workers that poses severe threats to many of the gains won by organized workers, the IMF said.

In addition to the huge number of layoffs, hundreds of thousands of other workers have gone on short hours, it noted.

"More layoffs seem imminent unless we urgently exercise our union power," the resolution warned.

UAW PRESIDENT Douglas Fraser, in an address to the meeting, said GM "has no loyalty to any nation or any flag. Its only loyalty is to profits." Emphasizing the need for a more international role for unions bargaining with GM and other major auto firms, Fraser declared:

"Unless we unite, workers from one country will be played against workers of another country as employers seek the nation with the lowest wage. To our Japanese brothers, I say: your workers are productive, intelligent, and skilled. They deserve more for what they produce."

Nations that think they can attract industry through low wages live in a fool's paradise, Fraser warned.

"WHAT HAPPENED after World War II is the best example of that," he said "The textile manufacturers left the U.S. for Japan to take advantage of low wages there, but they didn't stay in Japan.

"As wages in Japan rose, they went to Taiwan, Hong Kong, and Malaysia. The same thing could happen with the auto industry. We will have to bargain from an international point of view."

Rudolph Faupl Dies, Former Delegate to ILO

Fairfield, Calif—Rudolph J. Faupl, a former U.S. worker delegate to the International Labor Organization and retired international affairs representative of the Machinists, died here July 9 after a heart attack. He was 73.

Faupl served on the ILO's Governing Body as head of the U.S. worker delegation from 1958 through 1972. He also had been the IAM's representative to the International Metalworkers and the International Transport Workers federations from the late 1940s until his retirement in 1972.

In a message to Faupl's wife, Viola, AFL-CIO President Lane Kirkland said that he was privileged "to have known Rudy and to have benefited from his wisdom and experience. His contributions to the international labor movement, and to the friendly relationships between the AFL-CIO and the labor movement in other countries are invaluable."

After coming to the United States from his native Hungary at age 15, Faupl became a machinist in Milwaukee. During the 1930s he served as an organizer for the Wisconsin federation of labor. He was a member of the War Labor Board during the early 1940s and became a grand lodge representative with the IAM in 1945.

In addition to his wife, Faupl is survived by two daughters and seven grandchildren. Services were held July 13 in Fairfield.

San Jose Accord Called Key Step To Wage Parity

San Jose, Calif.—Striking members of State, County & Municipal Employees Local 101 returned to work after overwhelmingly approving an agreement that both sides called a major step toward wage parity between men and women city workers.

The two-year pact, ratified by a vote of 295 to 27, calls for $1.5 million to help correct pay disparities between male and female employees. The contract covers 2,000 workers—the majority of them women—represented by AFSCME.

THE STRIKE for comparable pay began at 12:01 a.m., July 5. At the time the walkout began, the union sought a $3.2 million commitment over four years to correct inequities revealed in a city study requested by AFSCME leaders. The survey found that pay for jobs predominantly staffed by females ranged from 2 to 10 percent less than the overall average for the city.

"The workers feel every day spent on strike was worth the sacrifice," Local 101 President Mike Ferraro said of the nine-day walkout. City Manager Francis Fox said the agreement "resolves the major issues" in the dispute.

The settlement provides for a 7.5 percent general wage increase this year and an 8 percent boost next year.

IUD Names Turner Legislative Director

Brian Turner has been appointed legislative director of the AFL-CIO Industrial Union Dept., to succeed Marvin Caplan, who has retired after 18 years with the department.

Turner has been executive assistant to IUD President Howard D. Samuel and the department's economic policy director. He first joined the IUD staff in 1974 and at the start of the Carter Administration served as assistant to Samuel, who then was Deputy Under Secretary of Labor for International Affairs.

Caplan, a former newspaper reporter, joined the IUD staff in 1963 as a legislative representative and served during much of his tenure as director of the Leadership Conference on Civil Rights.

Expansion of Merchant Fleet Called Vital for Naval Sealift

The United States could increase its naval support capabilities by turning to the private-sector merchant marine, Seafarers President Frank Drozak told the House Committee on Merchant Marine & Fisheries.

Drozak, who heads the AFL-CIO Maritime Trades Dept., said that long-term charters of 20 years or more with the U.S. Navy would provide the vessels and manpower needed to support the Military Sealift Command. The United States could achieve increased naval sealift at reduced costs by offering a build-and-charter program to the maritime industry, he said.

ALL THE EXPERTS agree that the United States currently does not have what is needed to supply and back up successfully its military forces overseas in the event of a major war, Drozak observed.

"Over the past couple of years," he said, "we have heard one expert after another tell Congress about the absolute importance of sealift to our total defense. We have also heard them say that the way to solve the problem is to increase the number of merchant vessels available to the armed forces. For the most part, they are in agreement that this means strengthening the private-sector merchant fleet."

U.S. inaction over the past 30 years has seen a drastic decline in the merchant marine in direct contrast to the Soviet Union, which has an integrated maritime policy under the direction of Soviet naval authorities, Drozak pointed out.

"Our Navy bureaucrats constantly raise the question of crew control of merchant vessels," he said. "History has proven that U.S. merchant mariners have honored their duty and performed it well in every national crisis—World War II, Korea, and Vietnam. The question of crew loyalty is non-existent with U.S. crews manning U.S. support vessels.

"IF WE ARE to be serious, then a strong recommendation ought to come from this committee for a meaningful blueprint for cooperation. And, most importantly, a directive should go to the Navy instructing it to continue its operations to its essential priorities and leave martime functions to the private sector."

During Vietnam, Drozak noted, the Seafarers met the nation's needs for trained seamen at its Harry Lundeberg School of Seamanship at Piney Point, Md. The school is ready and waiting to train seafarers for any purpose the Navy would regard as necessary to meet its requirements to private industry, he said.

Flaws Cited In Urban Zone Tax Incentives

Legislation to give tax windfalls and exemption from regulations to firms locating in impoverished urban areas has too many flaws to merit the AFL-CIO's support, the federation testified at Senate hearings.

The proposal to set up "urban enterprise zones" has been touted as a means of inducing employers to locate in blighted sections of cities. But Assistant Research Director Arnold Cantor stressed that the bill being considered by a Senate Finance subcommittee "would not create additional jobs nor help solve urban problems."

ITS MAJOR tax provision—to allow an enterprise zone business to deduct 50 percent of gross receipts from taxable income—"could have the effect of wiping out any federal income tax liability and could generate artificial losses which could be washed out against other incomes," Cantor pointed out.

Its principal beneficiaries, he said, would be profitable firms, and the device would be open to bookkeeping manipulations to avoid taxes on income from other sources.

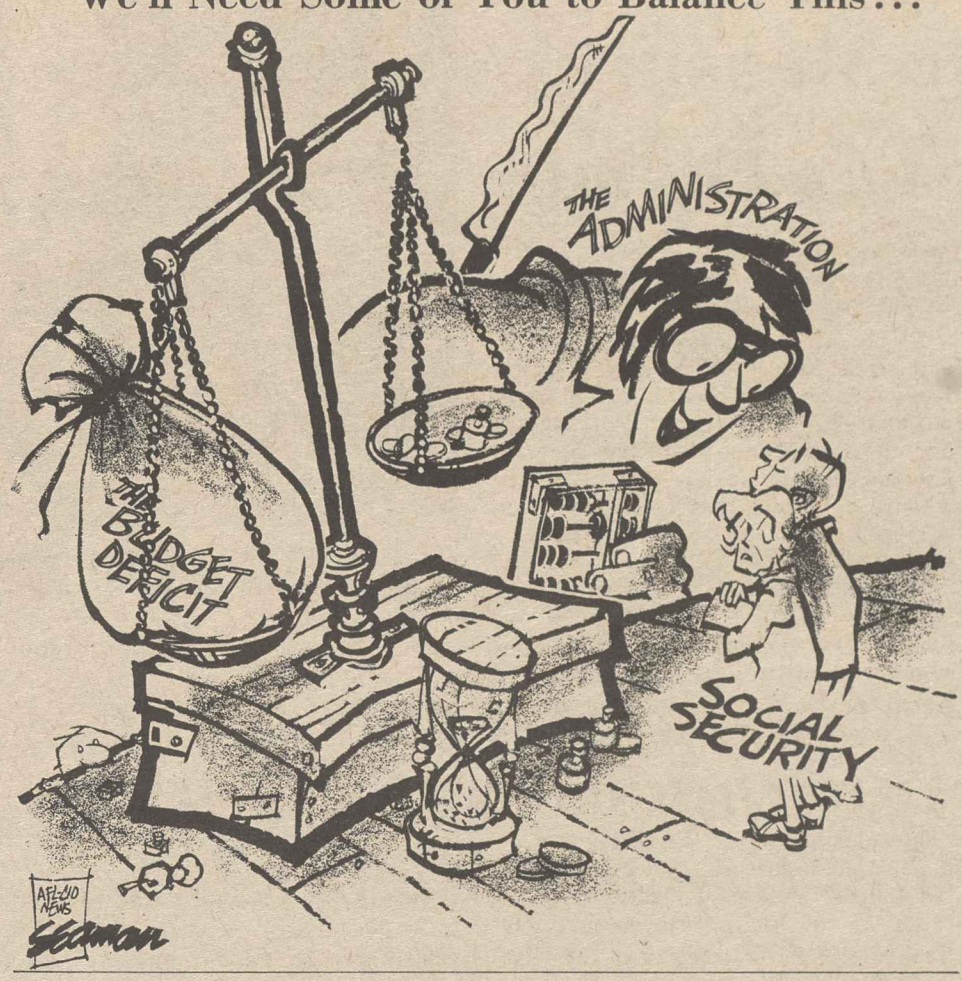
Cantor also questioned whether provisions in the bill for "simplification" of government requirements for firms in the zones means that building codes, safety and health regulations and labor standards will be bypassed.

He told the panel that the AFL-CIO remains aware and concerned about the special development needs of inner cities, but believes programs should be better targeted to provide expanded job opportunities rather than merely pay employers to shift from one place to another.

THE AFL-CIO proposal in this area, he testified, is based on the concept of a reindustrialization program that would use business tax cuts as one means of assisting industries, areas and people whose needs are greatest.

Sen. John H. Chafee (R-R.I.), chairman of the subcommittee holding hearings on the measure, sponsored the bill in the Senate along with Sen. Rudy Boschwitz (R-Minn.). House co-sponsors are Rep. Jack F. Kemp (R-N.Y.) and Robert Garcia (D-N.Y.). In a letter to Chafee, Commerce Sec. Malcolm Baldridge said the Reagan Administration "supports the thrust of the bill," but has not taken a position on its specifics.

'We'll Need Some of You to Balance This...'



Retreat on Clean Air Rules Would Sap Industrial Areas

Any relaxation of federal air quality standards inevitably would increase competition among pollution-free areas to attract industry from the Northeast and central states and contribute further to the decline of these areas, Sec.-Treas. Jacob Sheinkman of the Clothing & Textile Workers warned.

He said returning controls to the individual states would encourage "blackmail tactics" by big corporations to force competition between states and a lowering of air quality standards to gain or preserve jobs.

SHEINKMAN TOLD the Senate Committee on Environment & Public Works, chaired by Sen. Robert T. Stafford (R-Vt.), that "the end result from such tactics will mean that each state will feel impelled to destroy environmental controls as inducements to these corporations."

The federal Clean Air Act will expire on Sept. 31 unless Congress renews it.

American workers, and all citizens, need continuing federal standards, Sheinkman declared.

Even if the heavily industrialized areas of the country weaken their controls and allow businesses to pollute, the economy of those regions will not be significantly altered, Sheinkman said.

"THE OUTMIGRATION will continue," he said. "Top and middle management will be lured away to the pristine areas because they are clean. Management personnel and their families do not want to live in polluted areas. They have no desire for an early death from lung cancer.

"Soon they will move their plants to the Southeast and Southwest to escape the very pollution their modern processes created."

Sheinkman said that retention of federal standards would be accompanied by certain costs, but "these costs are not as heavy as some corporations would have you or the public believe."

RECENT SURVEYS indicate that pollution controls average about $140 per person a year in increased manufacturing costs, he noted. Against this he cited an analysis estimating the direct costs of treating lung disease at $19 billion a year and the indirect costs represented by lost productivity at $48 billion.

Sheinkman reminded the committee that the nation's greatest rivals in international trade—Japan and West Germany—have pollution controls as strict as or stricter than those in the United States and seem to have no trouble in competing in the world market.

Pilots Press Fight to Save Airline Safety, Labor Codes

The Air Line Pilots have urged Congress to preserve the labor protection provisions of the 1978 Airline Deregulation Act and to turn over to the National Transportation Safety Board the authority now held by the Civil Aeronautics Board to determine whether new airlines are fit to serve the public.

Under the 1978 law, the CAB is to be abolished by Jan. 1, 1985. The Senate Aviation Subcommittee, however, is hearing various proposals by the Administration and the agency itself, among others, to phase out the board as early as next year.

ALTHOUGH IT endorses an early CAB "sunset," the ALPA said, it wants the authority to determine airline fitness transferred to the NTSB.

"Congress recognized the possibility that deregulation might enable new carriers with questionable safety capabilities to serve the public," the ALPA said in testimony before the Senate panel. "In making this charge to the board, Congress also tacitly recognized that the Federal Aviation Agency's licensing procedures for air carriers were not enough to assure the required level of safety.

"With the demise of the CAB, the safety of the traveling public requires that the critical tests of carrier finess be continued."

THE ALPA said it was "shocked and dismayed" at the Administration's proposal to abolish the employee protection program written into the 1978 deregulation statute. Most airline labor groups had opposed deregulation and grudgingly accepted it only after protection provisions had been agreed to, the union pointed out.

Even the current program, which offers only modest protection to a limited group of employees, has been stalled by the industry, ALPA said. To date, not one employee has received benefits of any kind under the program, it noted.

Herbert Levine Heads Histadrut Council

New York—Herbert A. Levine, former director of Rutgers University's Labor Education Center, has been named national director of the American Trade Union Council for Histadrut.

He fills the post that has been vacant since Greg Bardacke retired in 1978. The council has 49 local organizations in the United States and Canada to promote American labor's relations with Histadrut, the Israeli labor federation.

Levine is a recognized authority on labor education. He established a labor studies program at Rutgers' University College in 1967 and founded the university's labor studies department in 1973.

High Interest Ups U.S. Cost By $17 Billion

(Continued from Page 1)

has forced the Administration to revise upward its estimates of federal spending by $6.1 billion for fiscal year 1981 and by $9.6 billion for fiscal 1982. The OMB now estimates that government expenditures will total $661.2 billion this fiscal year and $704.8 billion in fiscal 1982.

Commenting on the revised economic forecast, Chairman James Jones (D-Okla.) of the House Budget Committee said that the Administration had finally brought its 1981 figures in line with what his panel had been predicting since last April. But he said that the Administration's 1982 projections were still "dangerously misleading."

"THEY HAVE not learned to separate what they wish would happen from what is likely to happen, and the burden of the resulting errors will fall on the American people," Jones said.

The budget review notes that the Federal Reserve Board's high-interest rate policies—encouraged by the Reagan Administration—affect the budget through higher costs for the overall national debt, guaranteed student loans, federal housing programs, and other borrowing. Interest on three-month Treasury bills is expected to average 13.6 percent for the year, compared with 11.5 percent last year.

The midyear budget analysis presented a more optimistic view of the nation's inflation problems. Declines in prices of food and nonfood commodities, including the price of oil, are contributing to "the more hopeful outlook for inflation," the OMB report said.

THE ADMINISTRATION now projects a 9.9 percent average rise in consumer prices for 1981, compared to its 11.1 percent estimate in March, and a 7-percent average annual rate next year. In 1980, inflation averaged 13.5 percent.

The most recent data also suggest a marked slowing in the growth of personal income and final demand, while the rate of increase of industrial production continues to weaken from last fall.

The growth of nonfarm employment has shown a declining trend since January, and the most recent annual rate of housing starts has fallen to 1.1 million units, 20 percent below the peak reached last November, the report noted.

OMB DIRECTOR David A. Stockman told reporters at a briefing on the budget review that the study was published as required by law, that it contained no policy changes, and was "entirely a technical document."

At the same briefing, Chairman Murray L. Weidenbaum of the President's Council of Economic Advisers characterized the nation's economy as "spongy," and acknowledged that there could be two consecutive quarters of no growth—or even decline—in total business activity this year.

Weidenbaum said that any upturn in the economy might not occur until 1982, although the official forecast calls for an upturn in the fourth quarter of this year.

AFGE Wins Nationwide Vote Among Education Dept. Staff

The Government Employees won a two-year battle to become the exclusive nationwide representative of U.S. Dept. of Education employees. In a run-off election wrapped up July 13, AFGE beat back a challenge by the unaffiliated National Treasury Employees Union by a vote of 1,281 to 1,083.

The election brings the 5,000 employees in the Education Dept.'s headquarters and 10 regional offices into a single bargaining unit.

The AFGE had already outpolled NTEU by 958 to 942 in an election in May, but 63 votes for "no union" denied the AFL-CIO affiliate the majority needed to win, thus forcing the run-off election.

The AFGE had sought bargaining rights for the Education Dept. employees in 1979 when Congress voted to give the department separate agency status. It had been part of what was then the Dept. of Health, Education & Welfare, and the union based its request for exclusive nationwide recognition on the fact that it already represented most HEW education employees.

The Federal Labor Relations Authority ruled that certain provisions of the Civil Service Reform Act required that the Education Dept. workers be considered new employees under new conditions, requiring AFGE to petition for the election.

Senate Shifts Focus

Rights, Labor Measures Sidelined for Tax Debate

The Senate put off action on controversial civil rights and trade union issues to take up the Reagan Administration's multi-year tax cut package—a labor-opposed measure heavily tilted to reducing taxes paid by corporations and the wealthiest individuals.

Put on the back burner—possibly until after the August recess of Congress—is a military construction bill reported by the Senate Armed Services Committee. It would exempt military construction contracts from the Davis-Bacon Act, which requires payment of prevailing wages and benefits on federally funded construction.

LABOR SUPPORTERS in the Senate had indicated such a proposal would call for "extended debate," the Senate euphemism for a filibuster.

A low-keyed filibuster on a school busing issue did result in the Senate leadership's decision to set aside a Dept. of Justice authorization bill until after the tax legislation is passed.

While Congress has regularly expressed its distaste for busing as a means of overcoming racial imbalance and the effects of past segregation, it has so far stopped short of interfering with court actions based on the Constitution, or on Justice Dept. enforcement of constitutional rights.

THE FILIBUSTER was aimed at an amendment that would bar federal courts from ordering a student assigned or bused beyond the nearest school and would allow the Justice Dept. to file suits on behalf of students they believe have been subjected to court-ordered busing in violation of the restriction.

A letter to senators from AFL-CIO Legislative Director Ray Denison said the proposal "attempts to deny the federal judiciary its appointed role in enforcing the Constitution" and in effect would let Congress overrule Supreme Court constitutional decisions by a majority vote.

Six Democratic and six Republican senators joined in a letter to their colleagues opposing the amendment. Two attempts to invoke cloture failed, and the bill was set aside temporarily. But the second vote produced 54 senators for closing debate, just six short of the 60 votes needed under Senate rules. A third try is expected soon after the tax bill is off the Senate floor.

A SENATE LABOR subcommittee has approved two bills opposed by the AFL-CIO, but the full Labor & Human Resources Committee has not yet taken them up.

One measure would largely repeal the eight-hour-day provisions that are written into laws governing federal procurement, service and construction contracts. At present, contractors must pay overtime after eight hours in one day. The subcommittee bill would allow straight-time pay either for up to 10 hours a day on a four-day, 40-hour workweek, or for nine hours a day for four days in a week with four hours of work on the fifth day.

The other union-opposed measure awaiting full committee action would transfer coverage of sand, gravel, clay and stone mining from the more stringent standards of the Mine Safety & Health Administration—which includes mandatory inspections and safety training—to the general jurisdiction of the Occupational Safety & Health Administration.

EVEN AS the Senate was starting debate on the Reagan tax cut bill, the largest House-Senate conference in congressional history was getting under way on the budget reconciliation bill—the program cuts and changes in law that have been adopted to assure that federal spending does not exceed the budget ceiling voted by Congress.

Actually, more than 40 conference subcommittees will deal with differences between the House and Senate versions affecting legislation coming under the jurisdiction of the various committees.

While the Administration dictated much of the contents of both the House and Senate bills, some of the differences affected programs of importance to labor generally or to unions with special concerns. Unemployment insurance, the future of the Conrail system, funding for Medicaid and the future of the low-income weatherization program are among the scores of issues to be resolved.

THE TAX BILL debate in the Senate found the Democratic minority divided on what changes, if any, to seek in the Administration bill. The most closely contested issue, in fact, appeared to be an amendment supported by a majority of the Senate Finance Committee that would vastly increase future revenue loss to the government by indexing tax brackets to the inflation rate.

The AFL-CIO asked senators to oppose that amendment because it would perpetuate existing inequities and commit the government to a tax cut each year—even beyond the three years of tax cuts provided by the Senate bill. "Such a measure would seriously undermine any future efforts to achieve tax justice," the AFL-CIO said.

THE HOUSE Ways & Means Committee, meanwhile, continued to shape a "Democratic" tax bill that would be even more generous to business interests than the Administration plan but would tilt individual tax cuts somewhat more to middle-income and lower-income households.

In one controversial action, the House committee voted to allow professional commodity speculators to continue to benefit from a complex tax avoidance device called a "straddle" involving the juggling of contracts to buy and sell various commodities. That's a loophole that the Reagan Administration, as well as labor, had urged Congress to close.



SOCIAL SECURITY CUTS proposed by the Reagan Administration are unjustified and unnecessary, the AFL-CIO testified at Senate hearings. Social Security Director Bert Seidman presents the AFL-CIO funding proposal. At left is Associate Legislative Director Robert McGlotten.

Moves to Cut Social Security Pose Union Bargaining Issues

The Reagan Administration's proposals for major cutbacks in social security protections would require renegotiation of collective bargaining agreements covering large groups of workers, union representatives testified at Senate hearings.

Auto Workers Legislative Director Dick Warden cited UAW contracts providing benefit levels keyed to assumptions of social security retirement income at various ages. Thus, an early retirement option commonly would provide a higher contribution from a company fund before a worker is eligible for social security payments.

SIMILAR problems would face many public sector bargaining units, the State, County & Municipal Employees testified. AFSCME Legislative Director Josiah Beeman said many public retirement systems are based on a combination of social security and supplemental benefits.

Both unions, in statements to a Senate Finance subcommittee, stressed labor's support for the injection of general revenues into the social security system and the flexibility of inter-fund borrowing among the various trust funds so that a temporary surplus in one fund could be used to offset a short-term deficit in another.

THEY ENDORSED, as has the AFL-CIO, a proposal to use general revenue funds to pay half of the Medicare portion of the social security payroll tax, thus allowing the balance of the tax to be shifted to replenish the basic old age and survivors insurance fund.

Warden and Beeman also stressed, as had AFL-CIO Social Security Director Bert Seidman at the same hearings, that cutbacks in benefits are not necessary to maintain the solvency of the system, that the "crisis" has been deliberately exaggerated by the Administration, and that the proposed changes have spread uncertainty about the reliability of social security benefit commitments.

Message to SOHYO Stresses Cooperation

No nation can hope to solve its own economic problems by itself, AFL-CIO President Lane Kirkand said in a message to the 63rd annual convention of SOHYO, the General Council of Trade Unions of Japan. Coordinated policies and actions with other countries are necessary, he added.

The AFL-CIO has joined with other free labor movements in countries of the 23-nation Organzation for Economic Cooperation & Development in presenting an agreed labor position on international economic questions to the heads of state at the summit meeting scheduled in Ottawa on July 20, Kirkland noted.

He said SOHYO has an opportunity "to contribute to the solidarity of the international free labor movement by joining with all free trade unions to promote in all countries freedom of association as the cornerstone of those human rights to which all workers are entitled."

Protests Rejected on Virginia OSHA Plan

Labor and local government petitions to shelve Virginia's job safety and health plan in favor of federal enforcement were rebuffed by Assistant Labor Sec. Thorne G. Auchter as the Reagan Administration signed an agreement permitting the state plan to remain in effect.

The AFL-CIO had sought to have the state plan vacated since its inception in the early 1970s on the grounds that it is riddled with deficiencies, leaving workers in Virginia poorly protected from occupational hazards.

AUCHTER NOTIFIED the current petitioners—the Oil, Chemical & Atomic Workers, the Fairfax County Board of Supervisors, the Virginia AFL-CIO and the AFL-CIO Building & Construction Trades Dept.—that their objections to the plan were denied after the agreement was reached with state officials.

This is the second challenge to a state plan to be withdrawn by Auchter since he took over as head of Occupational Safety & Health Administration. On Mar. 27, Auchter dismissed petitions against the Indiana state plan, which former OSHA Director Eula Bingham charged had a "consistent pattern of poor performance in critical program areas."

The AFL-CIO, the Steelworkers and the Indiana AFL-CIO are appealing Auchter's decision in that case and a similar appeal is contemplated in the Virginia case.

SECTION 18 of the 1970 federal job safety law permits a state to operate its own safety program if it comes up with an OSHA-approved plan that is "at least as effective" as the federal program.

Currently, 24 OSHA-approved state plans are in force in 22 states as well as in the Virgin Islands and Puetro Rico. Connecticut's plan covers public employees only, with private sector workplaces remaining under federal jurisdiction.

Under Bingham, OSHA had initiated action to withdraw federal approval of the Virginia plan as a result of the petitions filed against it. The state subsequently sued to block the OSHA effort, but dropped the suit after the agreement was signed by State Atty. Gen. Marshall Coleman and U.S. Atty. John S. Edwards.

The federal job safety agency acknowledged at the same time that it was removing more than 20 OSHA inspectors from the state as a part of the Reagan Administration's budgetary and regulatory cutbacks.

AUCHTER described the Virginia agreement as the start of "a new spirit of cooperation between two levels of government for safer and healthier workplaces." But Virginia AFL-CIO President Julian Carper challenged this assessment.

"I just don't think that workers' safety and health is going to be enhanced by this action," Carper said.

Audrey Moore, a member of the Fairfax Board of Supervisors, termed the denial of the county's petition "a real disaster—especially for the younger workers who are not as knowledgeable about the dangers on a construction site."

The high incidence of worker fatalities at construction sites in northern Virginia led the county to begin its own inspection program after petitioning OSHA to remove the state plan.

THE STATE AFL-CIO noted in its 1980 petition to OSHA that because enforcement of the state plan is handled by district courts rather than an administrative agency, there is a total lack of uniformity in procedural practices.

"Primary responsibility for enforcement is left with 128 commonwealth attorneys who are unwilling or unable to contribute to the orderly development of state law. They are untrained, largely autonomous, and are highly sensitive to pressure from the local power structure," Carper said.

He called job-site inspections under the state plan "a farce."

7/18/81

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Seniors Rally for Social Security

AFL-CIO News

LABOR'S CENTENNIAL AFL-CIO 1881-1981

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10,000 Condemn Slashes As Budget-Balancing Ploy

By Susan Dunlop

Thousands of older Americans jammed the steps of the U.S. Capitol at a July 21 "Save Our Security" rally sponsored by the labor-supported National Council of Senior Citizens as a highlight of its legislative conference.

The nearly 10,000 demonstrators, led by the more than 3,000 delegates to the three-day conference, braved 90-degree heat to hear senators and representatives blast the Reagan Administration's proposals to cut social security benefits as part of its plan to balance the federal budget.

AS DEMONSTRATORS waved signs and banners urging Congress to preserve social security benefits, inside the Capitol both houses were voting on measures intended to save the $122 a month minimum benefit slated for elimination under the Administration's budget program.

The House voted overwhelmingly for a non-binding resolution favoring continuation of all current benefits, but the Senate voted along party lines to reject an amendment to a tax bill that would have restored the benefit. **(Story, Page 8.)**

AFL-CIO President Lane Kirkland, addressing the rally, stressed that the labor movement is a "strong and unshakable" ally of older Americans. Kirkland scored the Administration's attempts to "sacrifice the retirement security of millions of Americans" to cut federal spending.

HE DECLARED that Americans "will remember who voted to take away from American workers the protections they fought for, voted for and paid for."

Kirkland urged the demonstrators to join with the AFL-CIO on Sept. 19 at the federation's Solidarity Day Rally in Washington.

House Speaker Thomas P. O'Neill (D-Mass.) told the gathering that social security had been "supported by a president who cared, Franklin Roosevelt, and passed by a Congress who cared" as a way of responding to America's "economic and spiritual crisis of the 1930s."

The Reagan Administration should be held to its campaign promises to make the protection of benefits "the overriding concern" of any reform of the system, he declared.

SEN. EDWARD M. KENNEDY (D-Mass.), among several dozen legislators appearing at the rally to express support for social security, branded the attempts to cut the program "a breach of faith with 36 million social security recipients and 100 million American workers who continue to pay for the program and look to it for benefits."

At the conference's general sessions, NCSC President Jacob Clayman told the delegates that older Americans must plan strategies to defend the positive federal programs that have helped them and to deal with the effects that the coming budget cuts are likely to have.

Clayman cited the importance of programs to combat hunger, subsidize housing, pay medical and energy bills and provide other social services. He warned that the 20-year-old NCSC's 4,000 local clubs and 4 million members must vigorously resist the sharp reduction or outright elimination of these programs pressed by

(Continued on Page 7)

Leaders Urge Approval

'Good' Postal Settlement Put to Vote of Members

By James M. Shevis

Leaders of the nation's two largest postal unions urged rank-and-file members to ratify the new agreement with the U.S. Postal Service that will provide basic pay raises and bonuses totaling $2,100 over the three-year term plus uncapped cost-of-living increases.

Postal Workers President Moe Biller and Letter Carriers President Vincent R. Sombrotto, detailing highlights of the contract at a press conference following a 30-hour bargaining session, called the agreement a good one and predicted its ratification within 30 days.

While the unions did not get all that they wanted, Biller noted, "overall we got enough for me to say it's a good contract under the circumstances and I recommend approval." The agreement came 16 hours after expiration of the unions' old contracts and averted a possible nationwide postal workers' walkout.

Two other postal unions, the Laborers' Mail Handlers division and the unaffiliated Rural Letter Carriers, bargaining jointly with USPS but separate from the two principal postal unions, reached somewhat different results.

The Mail Handlers broke off talks and said it would submit certain unresolved issues to arbitration as provided by the 1970 Postal Reorganization Act. Negotiators for the Rural Letter Carriers agreed to a tentative contract whose details were not made known.

THE APWU AND THE NALC, which together represent 500,000 of the country's nearly 600,000 unionized postal workers, had warned that a strike against the USPS could develop, even though a walkout is prohibited by federal law.

In the later stages of the bargaining Postmaster Gen. William F. Bolger finally took a direct part in the negotiations—which involved the largest number of workers covered by collective bargaining this year. The agreement was hammered out after the unions agreed to extend their 1978 contracts on an hour-by-hour basis while the talks continued at a Washington hotel.

Earlier, in the small hours of the morning, a tentative agreement had come apart over differences on specific contract language. Federal Mediator Nicholas Fidandis unveiled the final agreement to reporters, saying: "This is the real thing."

BOLGER, who joined Biller and Sombrotto at the press conference, said the package would cost $4.8 billion over the life of the contract, a figure that includes estimated cost-of-living adjustments. He said the pact's cost would not cause the price of a first-class postage stamp to rise

(Continued on Page 3)

Real Earnings Continue Skid For 7th Month

Living costs continued to outstrip pay gains in June, and the buying power of the average worker's paycheck dropped for the seventh consecutive month.

The consumer price index climbed seven-tenths of 1 percent on a seasonally adjusted basis—up from a six-tenths of 1 percent rise in May and a modest four-tenths of 1 percent increase in April.

SINCE JUNE of 1980, the price index has risen 9.5 percent. Real spendable earnings—after-tax pay adjusted for inflation—are down 2 percent from a year ago and two-tenths of 1 percent from the previous month.

Housing prices, including mortgage interest rates, were the big culprit in the May to June rise in the consumer price index, as was the case the previous month. Housing expenditures rose 1.1 percent over the month and medical care costs shot up nine-tenths of 1 percent—putting both categories in double digits on an annual basis.

(Continued on Page 8)

Donahue Urges Expansion Of Alliance for 'Just Society'

Delegates to the National Urban League's annual conference gave a warm reception to the AFL-CIO's call for enlarging the already strong alliance between the trade union and civil rights movements to encompass all groups sharing the goals of "a just society."

AFL-CIO Sec.-Treas. Thomas R. Donahue said the excesses of the Reagan Administration are stirring into political action groups that "have never before involved themselves in legislative matters or tried to play a direct role in the nation's economic life."

AND THEY ARE discovering, he said, "as the labor movement and the civil rights movement discovered long ago, that they cannot do it alone."

After hearing an array of Cabinet members defend the Reagan Administration programs and assure the delegates that it would in time bring prosperity to everyone, Urban League delegates gave their strongest applause of the day to a different message from the AFL-CIO's secretary-treasurer.

Addressing the conference's business-labor luncheon, Donahue blasted the Administration's program "for transferring resources from those who have little to those who already have a great deal—in the pious hope that the rich, when they are richer, will somehow take care of the poor."

HE LASHED AT budget slashes in programs to help children and the elderly, the unemployed, disabled and disadvantaged

(Continued on Page 2)

Donahue Asks Alliance For 'Just Society'

(Continued from Page 1)

"in order to finance tax cuts that are designed to benefit the wealthy and the corporations."

Corporate funds are being used to buy up other companies, not to create jobs, Donahue noted. "Making money is the business of U.S. business, not making jobs."

Donahue spoke of the attempts to undermine fair labor standards, to close down the safeguards of the Voting Rights Act and to wipe out job training and affirmative action programs.

"ON SOLIDARITY DAY, Sept. 19, we are going to put on our walking shoes," he said, and "bring our concerns to the attention of the policymakers in Washington as forcefully as possible."

Urban League President Vernon E. Jordan, Jr., is a member of the Solidarity Day Advisory Board, and Donahue told the delegates, "It's your kind of demonstration as much as ours."

Its intent, he said, is "to show that there is a deep and abiding sense of solidarity among the American people where issues of social justice and fair play are concerned. We want to put a little iron into the backbone of the lawmakers who have swallowed the line that the voters don't care."

IN HIS KEYNOTE speech opening the conference, Urban League President Jordan termed the Reagan Administration's right-wing ideology "a clear and present danger to black people and poor people."

Instead of ideas, Jordan charged, the Administration relies on slogans. "Like most slogans, they contain a grain of truth. And like most slogans, they oversimplify and distort. They reinforce the meanest instincts of selfishness. They cut society loose from its moral bearings."



VERNON E. JORDAN, JR., president of the National Urban League, welcomes AFL-CIO Sec.-Treas. Thomas R. Donahue at the league's annual conference.

Latino Council Leaders Explore Labor Concerns

Some 40 leaders of the Labor Council for Latin American Advancement, including the organization's top national officers, took part in a four-day leadership conference at the George Meany Center for Labor Studies.

A highlight of the conference was an informal, spirited discussion between the LCLAA leaders and AFL-CIO Sec.-Treas. Thomas R. Donahue about common areas of interest and concern of the federation and the Latino support group.

An example of a critical common problem, Donahue indicated, was the looming fight with the Reagan Administration on the extension of the Voting Rights Act, which has been called the nation's most effective civil rights law.

"WE HAVE A big fight on our hands over the Voting Rights Act." Donahue said. "The significance of LCLAA's role in this struggle is enlarged because of the constituency you represent."

Kenneth Young, executive assistant to AFL-CIO President Lane Kirkland; Jim Kennedy, legislative director of the Railway & Airline Clerks, Ernie Post, PAC director of the Steelworkers, participated in a panel on political processes. Walter Davis, director of the AFL-CIO Dept. of Community Services, led a workshop on community relations.

Top LCLAA officers who took active roles in the conference included Henry L. (Hank) Lacayo, national chairman; Jack Otero, executive vice chairman; Oscar Sanchez, secretary-treasurer; Maria Portalatin and Mike Garcia, vice chairpersons, and Alfredo Montoya, executive director. Rudy Mendoza, a vice chairperson and chairman of the education committee, coordinated arrangements.

Suit Wins Cut In Compensation Insurance Rates

Chicago—An Illinois court has ordered insurance carriers to refund $750 million in workers' compensation premiums to employers in the state and to roll back rates by 24 percent.

The Cook County Circuit Court upheld the Illinois AFL-CIO and several employer groups in their 1979 suit charging that a 23.8-percent premium increase granted by the state insurance department in September 1979 was unjustified.

THE ROLLBACK in that rate ordered by the court will reduce current workers' compensation premiums charged to employers by $360 million annually, the state federation said.

Illinois AFL-CIO President Robert G. Gibson called the ruling a "tremendous victory." He said the order makes clear that the increases in workers' compensation insurance costs in the state must be laid at the doorstep of insurance companies, not injured workers.

Since the state's general assembly passed reforms of the workers' compensation laws in 1975, Gibson charged, "employers and their associations have irresponsibly continued to blame the tremendous increases in workers' compensation costs on the benefits paid to workers injured on the job."

Gibson pointed out that insurance carriers in the state were granted premium increases of more than 80 percent in 1975 and 1976 "without any public notice or any public hearing." In 1979, the state insurance department permitted the additional 23.8 percent rate hike.

THE STATE federation went to court to stop the increases in 1976 and it won a $50 million refund order in 1978, Gibson said.

In the light of the current decision, he said, the employers "and their spokesmen in the General Assembly" should "abandon their rhetoric which accuses injured workers" of responsibility for the increased costs.

Paperworkers Moving Offices to Nashville

The United Paperworkers is in the process of moving its headquarters from Flushing, N.Y. to Nashville, Tenn. and the union has requested that mail be sent to the new location.

The UPIU's new mailing address is: 702 Church St., P.O. Box 1475, Nashville, Tenn. 37202. The union's telephone number in Nashville is (615) 254-6666.

Union officers said the change was made to bring the headquarters closer to the localities where most members work.

Industry Pressure Charged

OSHA Scored on Move To Fire Cancer Expert

The top cancer specialist of the Occupational Safety & Health Administration, Dr. Peter F. Infante, was targeted for dismissal after he aroused the ire of the formaldehyde industry's trade association, House hearings revealed.

If the firing attempt succeeds, AFL-CIO Safety Director George H. R. Taylor warned, it will have "a chilling effect" on OSHA's professional staff and send a message that scientific judgments must defer to industry profits.

REP. ALBERT GORE (D-Tenn.), chairman of the Science & Technology subcommittee that conducted the two-day hearings, said it was clear that the Formaldehyde Institute "wanted this guy out of government" and instigated his dismissal.

Formaldehyde, which is used in a number of industrial processes, was identified by the National Institute of Occupational Safety & Health (NIOSH) as a cause of cancer in animals and a suspected cause of cancer in humans. The Consumer Product Safety Commission last January banned its use in home insulation, and NIOSH had prepared a warning bulletin on the possible hazards of the chemical.

Assistant Sec. of Labor Thorne G. Auchter, who heads OSHA, acknowledged that he withdrew the warning bulletin on formaldehyde from distribution by OSHA on the basis of a memo from an aide reporting on a meeting with two representatives of the Formaldehyde Institute.

THE "CHARGE" against Infante was that after OSHA had backed away from its warning about formaldehyde, he had written a letter on government stationery to a World Health Organization research unit citing a chemical industry study that 95 of 240 rats exposed to formaldehyde had developed tumors and enclosing a copy of a current bulletin issued by NIOSH, which is an agency of the Dept. of Health & Human Services and which has not retracted its warning about formaldehyde.

Infante's letter did not mention OSHA's position on the issue, but it led to a complaint by an industry official that he was "one of the primary movers and shakers" against formaldehyde, and the dismissal action was initiated soon thereafter.

At the subcommittee hearings, Gore suggested that "the only charge they could come up with is that he used OSHA stationery" in passing on what he considered pertinent scientific data.

THE HEARINGS led to a dramatic confrontation between Assistant Sec. Auchter and the career senior civil service executive who signed the letter initiating dismissal proceedings, Bailus Walker, who recently resigned as OSHA's director of health standards.

Walker testified that he was ordered by Auchter to fire Infante. Auchter, who is the official who is supposed to "review" the dismissal and determine whether it is appropriate, denied Walker's account.

WALKER, who signed the dismissal letter, testified that he considered formaldehyde a carcinogen. So did four other government toxicology experts, including the director of the National Cancer Institute.

An estimated 750,000 workers are exposed to formaldehyde on the job and Taylor, the director of the AFL-CIO's Occupational Safety & Health Dept., said the episode demonstrates OSHA's "subservience" to business concerns.

The action against Infante also brought a sharp protest from Industrial Union Dept. President Howard D. Samuel, who called on Labor Sec. Raymond Donovan to "countermand the proposal to fire Dr. Peter Infante for transmitting information published by our government to support his conviction that formaldehyde causes cancer . . . a view widely held within the scientific community."

The Administration is also under fire from the scientific community for the dismissal of NIOSH Director Anthony Robbins by Health & Human Services Sec. Richard Schweiker. Robbins was ousted after a U.S. Chamber of Commerce publication criticized him as "a radical, anti-business" social activist.

Congress Urged to Kill Bid To Deregulate Radio, TV

Unions and public interest groups have urged House-Senate conferees to strip from the budget reconciliation bill a package of controversial changes in laws governing radio and television broadcasting.

Provisions inserted by the Senate, but never considered by the House, would virtually deregulate radio broadcasting and substantially reduce the obligations of television stations to serve their communities.

THE COALITION, which includes the AFL-CIO Dept. for Professional Employees, stressed that the changes in communications laws would have virtually no impact on the budget. A fact sheet on the Senate changes noted that the only budget link was a provision for modest "user fees" for the right to use public airwaves.

Senate Commerce Committee Chairman Robert Packwood (R-Ore.) is quoted in the fact sheet as explaining that a plan to impose Coast Guard user fees on owners of small boats proved politically unpopular. "So what we did was come up with user fees on the owners of radio and television stations. As part of the package for getting their support on user fees, we agreed to lessen the regulations on them. It was a package."

AT A NEWS conference, the protesting groups cited these effects of the Senate communications amendments:

- Radio stations would be granted permanent licenses instead of having to seek a renewal every three years.
- New licenses for radio and television stations could be awarded by lottery, instead of going to the best-qualified applicants.
- Radio stations would no longer have to seek to meet community needs, and enforcement of the fairness doctrine would be much more difficult.
- Television licenses would be awarded for five years instead of three years, and the renewal procedure would be almost automatic, with reduced opportunity for citizen challenge.
- Persons who contend they could do a better job of serving a community would no longer be able to challenge the current television or radio broadcaster.

Unions taking part in the protest included the Auto Workers, Bakery Workers, Machinists, State, County & Municipal Employees, and the Steelworkers.

2 OPEIU Victories Rebuff 'Consultants'

New York—The Office & Professional Employees hailed recent victories in Knoxville, Tenn., and Oklahoma City, where management consultants sought to defeat union organizing drives.

OPEIU President John Kelly said that in spite of frantic, last-minute attempts and distribution of false and misleading anti-union propaganda by high-priced union-busting lawyers, clerical workers at an insurance company known as Oklahoma Farmers Union picked OPEIU over "no union" by a vote of 80 to 67.

In an election at the East Tennessee Baptist Hospital in Knoxville, management consultants failed in their anti-union tactics as workers chose OPEIU as their bargaining representative, 131 to 80.

Postal Union Accord Goes To Members

(Continued from Page 1)

beyond 20 cents, or 2 cents more than the current price.

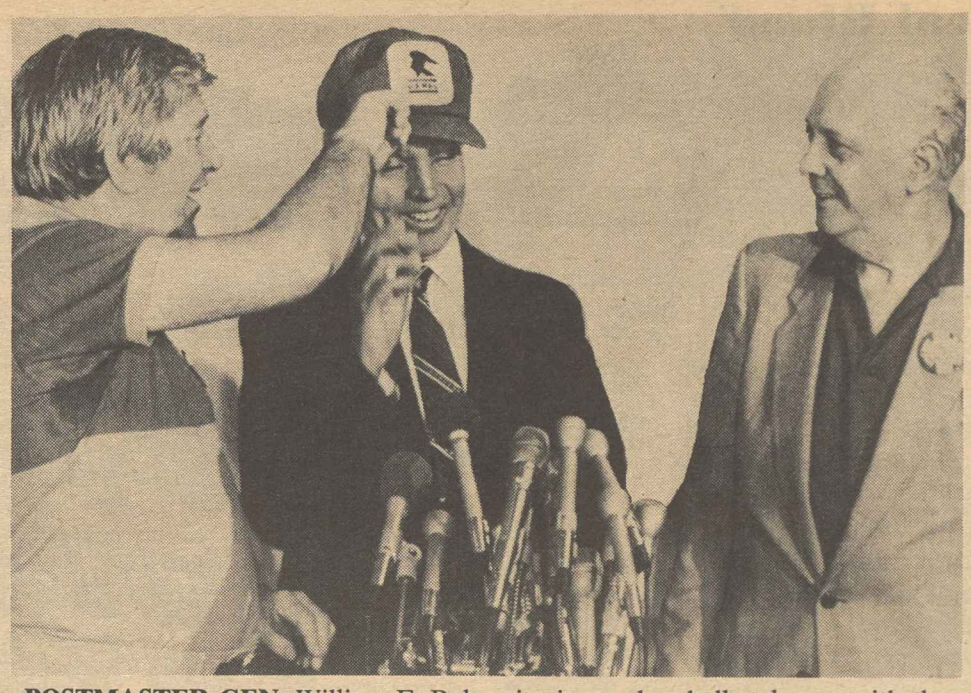
Earlier this year, the independent Postal Rate Commission allowed USPS to raise the first-class rate from 15 to 18 cents, but rejected its request for a 20-cent stamp. The decision is under appeal. Bolger said that the 20-cent rate would "hold us for a couple of years."

Under the new agreement, postal workers' salaries would rise by $300 in each of the next three years. In addition, employees would receive a $150 bonus upon ratification of the contract, and a $350 "productivity" bonus in each contract year. According to the unions, the typical postal employee now earns $21,146 a year. Thus, the pact would boost present wages about 10 percent over three years in addition to any increases under the COL adjustment clause.

THE PRODUCTIVITY bonus could exceed $350 under an undisclosed formula, the unions said. The agreement maintains current provisions for cost-of-living increases without a "cap," or limit, a hotly contested point during the bargaining. Semi-annual COL increases of one cent for each increase of four-tenths of a point in the consumer price index generated an average total of $3,619 in wage boosts under the old contract.

This would not be rolled into base rates until the expiration of the new contract in 1984, the unions said. However, workers within six years of retirement would have the option of rolling the COL amount into the base pay used to calculate retirement benefits in exchange for foregoing 7 percent of the COL increase. All other employees would have this amount added to the base pay used to calculate pensions by 1984. The timing of the COL roll-in had been a major bargaining issue.

Details on most fringe-benefit improvements were not announced. It was learned, however, that USPS would continue to pay 75 percent of workers' health-insurance premiums and that some increases would be provided in uniform allowances.



POSTMASTER GEN. William F. Bolger is given a baseball-style cap with the Postal Service logo following announcement of a tentative agreement in this year's contract negotiations. Letter Carriers President Vincent R. Sombrotto, left, and Postal Workers President Moe Biller led the union negotiators.

28-Member Advisory Board Named for Solidarity Day

Twenty-eight officers of national organizations have responded to the invitation of AFL-CIO President Lane Kirkland to join a Solidarity Day advisory board to help with plans for the Sept. 19 Washington protest march.

The advisory board, which includes AFL-CIO Sec.-Treas. Thomas R. Donahue, held its first planning session July 22 at AFL-CIO headquarters.

KIRKLAND DESCRIBED the march as labor's way of demonstrating its determination to resist attempts to turn back social and economic progress.

The Solidarity Task Force has also released a tentative agenda for the one-day demonstration. Marchers will gather beginning at about 10 a.m. near the Washington Monument for a program of entertainment and prominent speakers. From there, the march will proceed around noon to the west front of the Capitol where the program will continue until about 5 p.m.

Marchers are being encouraged to bring their families and plan picnics on Washington's historic mall that day.

THE SOLIDARITY Day office at AFL-CIO headquarters has available names of coordinators from unions and support organizations that will join the march. Each organization will handle its own transportation and organization of its delegation.

The members of the Solidarity Day advisory board are Arnold Aronson, Leadership Conference on Civil Rights; Tony Bonilla, president, League of United Latin American Citizens; Kenyon Burke, National Council of Churches; Jacob Clayman, president, National Council of Senior Citizens; Sam Church, president, United Mine Workers; Murray Finley, president, Clothing & Textile Workers; Douglas Fraser, president, Auto Workers; Dorothy Height, president, National Council of Negro Women.

Also, Benjamin L. Hooks, executive director, NAACP; Rev. Jesse Jackson, Operation PUSH; Vernon Jordan, president, National Urban League; Coretta King, co-chair, Full Employment Action Council; Henry Lacayo, chair, Labor Council for Latin American Advancement; Msgr. Francis J. Lally, U.S. Catholic Conference; Rev. Joseph Lowery, Southern Christian Leadership Conference; Lloyd McBride, president, Steelworkers; Joyce Miller, president, Coalition of Labor Union Women; Charles Pillard, president, International Brotherhood of Electrical Workers; Reese Robrahn, executive director, American Coalition of Citizens with Disabilities.

Also, Bayard Rustin, chair, A. Philip Randolph Institute; Chuck Senci, director, Concerned Seniors for Better Government; Albert Shanker, president, American Federation of Teachers; Donald Slaiman, president, Jewish Labor Committee; Eleanor Smeal, president, National Organization for Women; Jessica Smith, executive director, Frontlash; Sharon Stark, president, Consumer Federation of America; Douglas Tuthill, chair, U.S. Students Association, and William Wynn, president, Food & Commercial Workers.

Watts Cites Alarming Rise In Office Workers' Stress

Cincinnati, Ohio — Modern technology may have streamlined office procedures, but it has done little or nothing to reduce stress that is literally killing clerical and secretarial workers, Communications Workers President Glenn E. Watts told a government-sponsored conference on office worker safety and health here.

"New technology and new work environments carry with them new and alarming health and stress problems for American wage-earners," Watts said in an address at a four-day conference sponsored by the National Institute for Occupational Safety & Health.

"WE MAY BE ON the verge of the paperless office, but we have yet to devise the pressureless office."

Watts cited the findings of a study released a year ago that women clerical and secretarial workers developed coronary heart disease nearly twice as frequently as other women workers. He blamed video display terminals, poor lighting and ventilation, and relentless supervision by machines as well as managers.

"A NIOSH study of a San Francisco office found higher levels of job stress among clerical operators of VDTs than in any occupational group studied, including air traffic controllers," Watts noted.

HE SAID THAT modern research has exploded the myth that "only top-level executives and those people who make weighty decisions experience the effects of job stress. The executive's "loyal secretary" is also very much a prime candidate for a heart attack."

The old idea that "stress is all in your head—it's nobody's fault but your own if you let things get to you"—is as outdated as the manual typewriter, Watts added. Medical researchers have documented beyond any reasonable doubt that job-related stress is a prime cause of heart disease, he said.

Watts's 625,000-member-union, which represents a majority of the nation's telephone workers, recently concluded an agreement with the Bell System to reduce job stress by instituting quality-of-work-life programs in Bell installations across the country.

"If we can increase job satisfaction, we will have taken a giant step to combat modern job stress which technology is bringing to the workplace," he said.

UAW Opens Drive for U.S. Content Law

Dearborn, Mich.—The Auto Workers are undertaking a major campaign for legislation to require foreign and domestic car companies with large U.S. sales to build most of those vehicles in the United States.

UAW President Douglas Fraser, announcing the drive here at the 6th annual Automotive News World Congress, said government-ordered restrictions must be enacted if America is to preserve employment and shore up its industrial base.

FURTHERMORE, Fraser said, the union will not permit domestic automakers to carry out threats to move production of parts for American cars to other countries unless they get an immediate break on labor costs in the United States. Ford and General Motors have indicated they do not want to wait until their contracts with the UAW expire in September 1982 before they seek labor cost concessions.

"We have no intention of reopening those agreements," Fraser said. "Yet let me make it clear that the UAW fully intends to approach 1982 bargaining in a responsible manner. We are realists. We understand that bargaining doesn't go on in a vacuum. You have to face the economic realities that exist when you go to the table."

Fraser's proposal for "local content" requirements would mean that a percentage of the parts and components going into a vehicle would be produced in the United States. Legislation he said he hopes will be introduced in Congress this summer would require that auto companies with annual sales in excess of 200,000 units have at least 75 percent North American components in their fleets—effectively requiring large Japanese auto companies to set up assembly plants here.

THE PROPOSAL also would require that the Big Three U.S. automakers—Ford, GM, and Chrysler—observe a 90-percent local content requirement, a level they currently are meeting. The law would be phased in beginning with the 1983 model year, Fraser said.

He said he is also seeking to enlist the domestic parts supplier industry in the legislative drive, mailing personal request letters for help to more than 1,000 companies that provide parts and components for the auto industry.

"On this issue, the parts sector and trade unions should have common cause," Fraser observed. "When General Motors threatens workers with statements it intends to buy or build more components 'offshore,' your companies may very well be victims as well," he told supplier industry executives. "When Ford talks about out-sourcing parts overseas, it's your firms as well as our workers who are being blackmailed."

THE REAGAN Administration has said that it opposes local content requirements and other aid to specific industries as being anti-free trade, to which Fraser responded:

"Some may object that our content proposal runs counter to the principles of free trade. If other nations' policies prevent auto trade from becoming a two-way street, our country cannot afford a one-way traffic jam of the unemployed."



SOLIDARITY DAY advisory board holds its first meeting at AFL-CIO headquarters. The 28-member panel of representatives of groups taking part in the demonstration with the AFL-CIO will help with plans for the Sept. 19 march in Washington to protest the Reagan Administrations assault on vital social programs.

'The Blade Draws Real Blood'

WE HAVE TO make sure that American workers understand, in the most real and human terms, exactly what all the talk about budgets and taxes means for them.

It is their social security that is going to be cut—and with it their plans for a secure and decent retirement. It is their hospitals and schools that will be closed or left to deteriorate. It is their safety and health, leisure time and paychecks that will be threatened if OSHA is hobbled, if the protective legislation so many of you have fought for is dismantled.

According to Administration doctrine, the root of all economic evil is the federal budget.

We have to remind the budget cutters of two important facts —one, that the budget-cutting blade draws real blood; and, second, that we will note well and long remember who was holding the knife.

SOME OF THE politicians will tell you that they are only carrying out the will of the people, as expressed at the polls. Well, I am sure you will have to look long and hard in Congress to find any sitting member who got there by campaigning against social security.

Yet, you will find increasing numbers—safely between elections —who have bought the Administration's line that social security is about to go under, and that if we don't dump the ballast of "excessive benefits" it will go down with all hands on board.

It is true that the social security system has problems which must be resolved. It is also true that these problems can be resolved without cutting benefits and without breaking the faith American workers have put in this system for almost 50 years. The Administration's proposed cuts in overall social security benefits add up to a sum twice as large at what is necessary to balance the system for the next 75 years.

THE HEART OF the plan—the proposed cuts in early retirement and disability provisions—ignores the fact that fully two-thirds of all people who retire before 65 do so because they are sick, their jobs have been destroyed, or they are subject to some form of compulsory retirement plan. The 80 percent of full benefits paid to these workers is based on the cool calculations of actuarial tables and insurance principles, not on principles of charity.

We must work together to prevent the Administration's tactics from driving a wedge between active workers and those who are receiving benefits.

We must also counter the danger that the Administration's dire predictions about the imminent collapse of the system will frighten many Americans into accepting cuts they would not otherwise tolerate.

At the same time, we must make sure that our opponents are forced to run on their records, that they are not allowed to conceal under piles of political rhetoric the fact that they voted to destroy programs that have helped improve the lives of every American citizen.

—AFL-CIO President Lane Kirkland to legislative conference of the National Council of Senior Citizens, July 20, 1981, Washington, D.C.

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THOMAS R. DONAHUE, *Secretary-Treasurer*

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Castle in the Sky



Shifting the Site of Pain

'Urban Enterprise' Proposal Would Aggravate Job Needs

By Gus Tyler

THE KEMP-GARCIA BILL is one of those political dreams. A conservative Republican (Kemp) joins with a liberal Democrat (Garcia) to sponsor a bill to create jobs in poverty areas, presumably mainly black and Hispanic. The idea is to ease taxes for employers who set up shop in these hard-pressed neighborhoods (designated as "urban enterprise zones").

Yet, dreamy and dramatic as the proposition appears, it may well be one of those attractively simple solutions that, upon examination, turns into a most unattractive counterproductive complexity. Consider the following:

AN EMPLOYER who sets up a factory under the proposed aegis would have a clear edge over his competitors by virtue of the subsidy he will be getting from Uncle Sam. (Exempting someone from paying a regular tax is, in effect, the same as taking money out of the federal treasury to make a gift to the beneficiary of the exemption.)

Such an employer is very likely to have another edge. Opening a new facility in a depressed neighborhood would mean employment of people at wages close to the minimum, since it is fairly certain that such a work force is not apt to be unionized in the first days or years of operation.

With such a double edge in his favor, such an employer can compete successfully in the open market for work for his plant and his people.

Now what does this do to other workers who are getting more than the minimum in an already established plant and whose employer must pay full taxes? Clearly, they are now disadvantaged with less work and smaller earnings.

THE IRONY IS that these workers—the newly disadvantaged—will also be drawn from marginal populations, mainly black and Hispanic. Small-scale production in urban areas draws heavily from minorities for its employees.

As a consequence, some ghetto people who will be working in the "neighborhood" will be disemploying other ghetto people who are not working in the precinct. But the total number of employed in the country will not go up and neither will the total number of minority folk with jobs go up.

At best, we will have achieved a redistribution of unemployment within minority people, getting jobs for some at the expense of others.

That's what would happen "at best." But we won't get the best. The people who will be losing their jobs will be those who are relatively better paid; those who will be getting jobs will be poorer paid. So, the total wage level for these workers will fall and poverty-plagued minorities will be poorer than ever.

Also, since total buying power will consequently fall, there will be fewer jobs in the nation as a whole. This means more unemployment both inside and outside the ghettos and barrios.

IT IS, of course, quite understandable that "minority" spokespeople in Congress would favor the Kemp-Garcia proposal because it seems like a quick way to get jobs into their precincts. It is also understandable that a conservative, like Kemp, would favor a bill that puts him with the poor and disadvantaged minorities.

In a way, it's most unfortunate that, in practice, the bill will merely mean more poverty and unemployment for the poor in a grim game of musical chairs that merely shifts the site of pain.

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'... So Much to Gain By Working Together'

We are told social programs breed dependency. Tell that to young people in training programs who will lose their chance to learn and earn their way out of poverty. Tell it to sick people whose public health clinics are shut down.

We are told that it's bad to look to government for special help, that everyone should be treated the same. Tell that to the affluent who will get huge tax cuts on top of their loopholes. Tell it to the special interests.

We've got to reach across class and ethnic lines to win victories for all people. America's tragedy is the racism that drives a wedge between whites and blacks who have so much to gain by working together.

—From keynote address by Vernon E. Jordan, Jr., to National Urban League conference, July 19, 1981.

For Workers, Allies

Solidarity Day Offers Chance To Stand Up Against 'Mandate'

The following is from an address by AFL-CIO Sec.-Treas. Thomas R. Donahue to the National Urban League Business-Labor luncheon, July 21, 1981, Washington.

WHAT WE ARE facing, in broad outline, is a very neat and well-rounded program for transferring resources from those who have little to those who already have a great deal—in the pious hope that the rich (when they are richer), will somehow take care of the poor.

So we have budget cuts that deprive children and old people and the unemployed and the disabled and the disadvantaged in order to finance tax cuts that are designed to benefit the wealthy and the corporations.

We have business-tax revisions that are designed to give huge benefits to the biggest and strongest corporations—the ones with the biggest inventories of physical assets and machinery—while giving little or nothing to small business or to businesses that depend more on manpower than robots.

WE HAVE administrative and legislative assaults on regulations designed to protect the lives and health of workers and consumers to help those who maximize profits at the expense of those who work and those who buy.

We have no re-industrialization program worth the name. We have quite a few proposals to encourage business to do what I have heard called "maximizing human resourecs" to encourage productivity.

To do that, apparently, you need to be able to pay less than a minimum living wage to youngsters at the bottom of the economic ladder. You need to minimize opportunity by wiping out jobs and training programs and affirmative action programs of all kinds.

You need to put government construction into the hands of the lowest bidder, regardless of the fact that he brings with him the lowest bidders he can find among workers—that is, those with the least bargaining power, the hungriest and most desperate workers in a depressed industry.

TO MAXIMIZE these human resources even further, we are told, it is necessary to work them longer hours without paying overtime. The eight-hour day, in the construction industry, interferes with productivity.

Along with that, of course, it is necessary to move industrial operations into the home. Obviously, productivity can be much higher if you can exploit people who are desperate for work—and their children, too—without paying the rent, without worrying about hours and overtime or health and safety laws or minimum wages or unions.

Now, once you put all this together, how do you keep it? Well, our opponents have thought of that. They remember how all these terrible restrictions on productivity and free enterprise came about in the first place. They remember the years and decades of constructive legislative and political action on the part of the trade union movement and the civil rights movement.

So, they are using their financial power as never before to control the legislative and electoral process. They have invented the negative political campaign, in which the candidate they support lies back as a perfectly innocent bystander while independent political action goes after his opponent—the candidates speaking up for the public interest, the one we think of as the good guy—with the dirtiest tricks and falsifications money can buy.

AND AT THE SAME TIME, of course, they are doing their best to kill or cripple the Voting Rights Act that opened the way for millions of minority citizens, for the first time in history, to take a hand in their country's political decision-making. They want to close the door on that, and keep it closed.

These are some of the methods by which our opponents are doing their best to take us back to 1881. In response, we can't afford to be any less united than our opponents.

We still have friends on the Hill, timid and demoralized though many of them may be. And we need to demonstrate, for the benefit of the lawmakers who have been cowed by the Administration's claim that it has a mandate from the people to rearrange American society along economic lines.

On Solidarity Day, Sept. 19, we are going to put on our walking shoes in the District of Columbia to prove that no such mandate exists, and every member of the Urban League is cordially invited to attend.

WE CALL IT Solidarity Day because it is meant to show that there is a deep and abiding sense of solidarity among the American people where issues of social justice and fair play are concerned. We want to put a little iron into the backbones of the lawmakers who have swallowed the line that the voters don't care.

Solidarity Day is for everyone, not just union members. The point is to show how broad a cross-section of America is willing to stand up and be counted in opposition to the President's program and in favor of jobs and justice.

And we want to show that come what may—win, lose or draw—whether it takes another hundred years or a thousand, we will not go away.

Targeted Program Urged

Long-Term Tax-Cut Schemes Lack Fairness, Effectiveness

BOTH OF THE long-term tax-cut programs devised by the Reagan Administration and the House Ways & Means Committee fail the tests of equity and economic effectiveness, an AFL-CIO legislative representative declared in a network radio interview.

Stephen Koplan said on Labor News Conference that the proposals to give business an across-the-board tax cut of two-thirds of a trillion dollars over 10 years ought to be scrapped in favor of a one-year program carefully targeted toward areas and industries most in need and in which real productivity gains are most achievable.

Koplan urged that proposed three-year individual tax cuts that would bring greatest benefits to high-bracket taxpayers be replaced by a 20-percent refund of social security taxes paid by workers and a 5-percent credit for social security taxes paid by employers.

He pointed out that the lion's share of the proposed business cuts would flow to electrical and gas utilities—regulated industries in no need of special tax windfalls—and to the oil refining industry. What America needs, he said, is a coherent re-industrialization program under which a Reconstruction Finance Corporation would direct tax benefits to companies needing help.

"Anything beyond one year is putting a mortgage on the future at a time when there is tremendous uncertainty," he said. "We have suggested a one-year business tax cut that is targeted and has a $5-billion cap for tax cuts and $5 billion more for non-tax subsidies, and a one-year individual tax credit of $16 billion for workers and $4 billion for employers. Then Congress could look to see whether it should be reauthorized."

ORGANIZED LABOR asks three things of whatever tax package is adopted, Koplan said:

"One, on the business side we would like to see a substantial cutback, through targeting, in the amount of revenue lost to the Treasury. Second, on the individual side, we have called for substantial equity in the lower and middle-income brackets. Third, we urge that Congress not mortgage the future."

Washington Window

By Press Associates, Inc.

THE SCARE CAMPAIGN mounted by the Reagan Administration against the social security system surely must be one of the more irresponsible actions by national leaders.

Most responsible observers are aware that social security has a short-term and a long-term problem.

The short-term problem is directly related to the stagflation of recent years. High-level unemployment caused a reduction of employer-worker payments into the fund while inflation caused a sharp increase in benefits paid out.

The long-term problem will come when the post-World War II baby boom generation reaches the retirement age around the year 2011.

The present contrived crisis developed last spring when Reagan budget chief David Stockman saw an opportunity to exploit the short-term problem.

Using the bankruptcy rhetoric, he apparently talked Reagan into proposing a wide range of cuts to "save" social security.

THE WAVE OF anger that swept the nation persuaded the Senate to slap down Reagan's major proposal, 96-0, in a sense of the Senate resolution.

What led the Administration to miscalculate so badly?

Wilbur J. Cohen, chairman of the new Coalition to Save Our Security and a former Secretary of Health, Education & Welfare, gave this explanation:

"The major reason for the Reagan-Stockman proposal to cut social security is to meet the two goals of increasing expenditures for defense while at the same time promising to balance the budget.

"Because the federal unified budget includes general revenue expenditures from the U.S. Treasury as well as social security payments from earmarked trust funds, every penny cut from any aspect of social security payment permits Mr. Stockman to recommend higher military spending while still claiming he's balancing the budget."

The social security cuts also enable Reagan and Stockman to cover losses of federal revenue from tax cuts in the event the Reagan economic recovery strategy fails to work.

COHEN RECOMMENDED that social security — and also state unemployment insurance—be completely removed from the Federal Unified Budget to thwart the Stockman maneuver.

A CBS-TV special aired July 16 showed that a good deal of misinformation is at large about social security, especially among the young. The New York Times the next day ran a story on a Times/CBS News poll with the headline, "Poll Shows Americans Losing Faith in Future of Social Security System."

Little wonder. The CBS-TV special showed conservative politicians and normally fair-minded reporters wallowing in hyperbole. Problems were "gargantuan" and "horrendous" and the situation was a "time bomb." Health & Human Services Sec. Richard Schweiker saw everybody jumping aboard the disability "gravy train."

BROOKINGS INSTITUTION expert Henry Aaron calmly noted that 70 percent of those who apply for disability benefits are denied them. And half of that group never works again, he said.

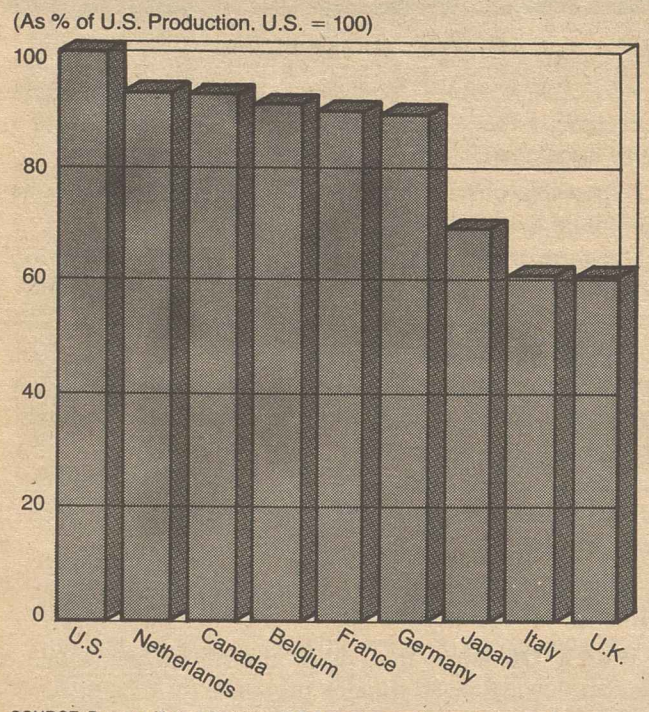
CBS commentator Dan Rather salvaged the program by concluding that constructive solutions exist and Congress will choose among them.

It was left to Rep. Claude Pepper (D-Fla.) to wonder why the Reagan Administration wants to take benefits away from young survivors, from the crippled, from the low-income families. "Does the government of the United States have to do that?" he asked.



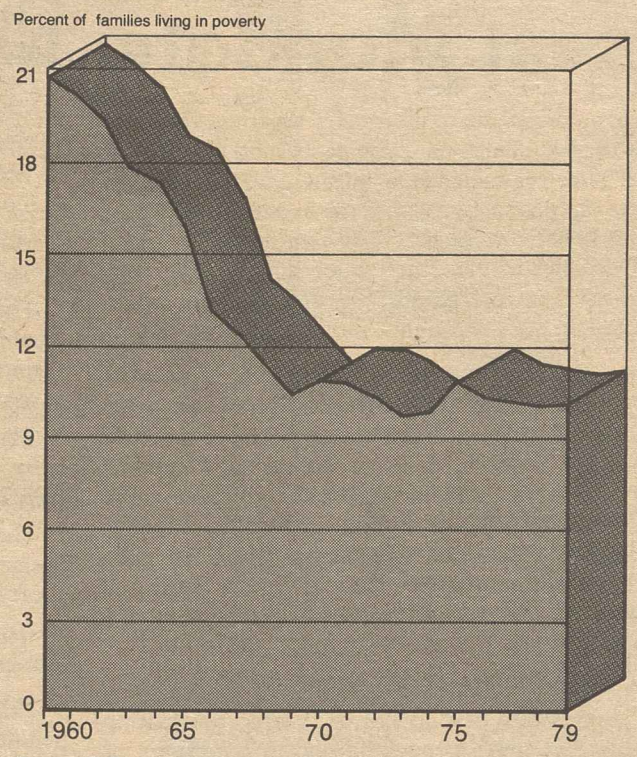
TAX PROGRAMS being shaped in Congress fail the test of fairness and would put a mortgage on the nation's future, AFL-CIO Legislative Rep. Stephen Koplan, center, said on Labor News Conference. Questioning him were Sandra Teeley of the Washington Post and Ben Rathbun of the Bureau of National Affairs publication, Daily Labor Report. The public affairs interview is aired weekly on Mutual Radio.

Various Nations' Production of Goods and Services per Person Employed in 1980



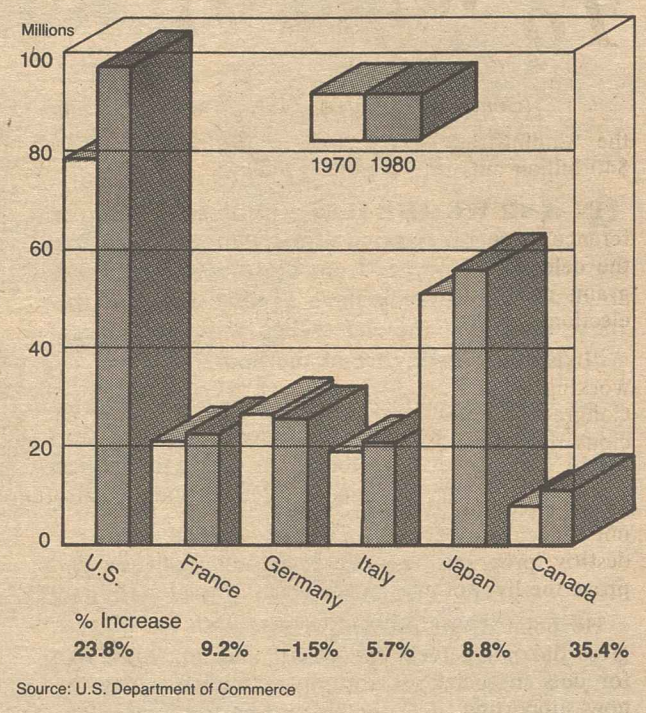
SOURCE: Bureau of Labor Statistics, U.S. Department of Labor preliminary figures.

Poverty Rate for U.S. Families—1960 to 1979



Source: U.S. Department of Commerce, Bureau of the Census.

Total Employment in Selected Countries 1970 and 1980



Source: U.S. Department of Commerce

Supply-Side Economics: Rehash of Old Fallacies

The so-called supply-side economic policy espoused by the Reagan Administration is directly at odds with the beliefs of those who seek equity and the economic advance of common people, former Labor Sec. Ray Marshall declares in the American Federationist, the AFL-CIO's monthly magazine.

SUPPLY-SIDERS basically believe that by putting more money in the hands of the wealthy through tax breaks, the incentive to invest will be created and that investment will generate more jobs and income and reduce inflation. But there is a deep, underlying fallacy to this theory, which runs directly counter to the traditional "demand-side"—or Keynesian—economics on which almost all of the nation's labor programs have rested since the 1930's, Marshall points out in the Federationist article, which is based on remarks at the May council meeting of the AFL-CIO Industrial Union Dept.

"It's the same trickle-down economics that has always existed and was found to have been a basic cause of the depression of the 1930s," says Marshall, who was Secretary of Labor for all four years of the Carter Administration He plans to return this fall to a teaching post at the University of Texas.

"We say it's wrong because you will never have enduring prosperity unless all major groups share in that prosperity. Supply-siders are deliberately limiting their version of prosperity to those who will have enough money to invest."

MOST OF THE basic propositions of the supply-siders have no empirical evidence to support them, Marshall observes. In fact, they run contrary to strong empirical evidence from around the world, he notes, adding that "the only experiment in place of supply-side economics today is in Britain, where Prime Minister Margaret Thatcher's Government started out saying the same thing that the supply-siders started out saying in the United States—namely, that there is a painless solution to the problems of unemployment and inflation."

Subsequent events in Britain obviously make it difficult for the Thatcher Government to say there's a painless solution to the problem, Marshall observes, "so now they have to say there is a painful solution but it's worth it: we have to go through a painful process in order to solve the problems of inflation, unemployment and inefficiency generated by government involvement. But looking at the experience of the United Kingdom should not give them a great deal of optimism about empirical justification for their policies, because the Thatcher record shows increases in both inflation and unemployment."

The Reaganites pin much of their hope on a tax cut, contending that such a reduction will automatically stimulate savings and investment. But Marshall asserts there is not much evidence to support this belief.

"People are just as likely to spend that money as to invest it," he notes. "Even if they invest, there's no assurance that the investment will be in job-creating activity."

Another serious problem for the supply-siders is their monetarist theory—their rigid belief that inflation can be caused by only two factors, government or an increase in the money supply, Marshall notes. Other factors are much more important to inflation than government spending and, in fact, there is no necessary relationship between a budget deficit and inflation, he points out.

"THE MAIN REASON for inflation in recent times has been increases in the cost of energy, the cost of food prices, and the cost of money itself, i.e., the interest rates," Marshall observes. "Supply-siders can't accept that; they argue that the increase in the money supply is the only way to cause inflation."

All the economic solutions being tried in the UK and suggested in the United States have one common characteristic, and that is that ultimately they will use unemployment to check inflation, Marshall points out. The opposite approach should be used, he says.

"Dealing with unemployment is the most important problem because unemployment is inflationary," he stresses. "America needs a policy to continue to reduce unemployment by a combination of aggregates, monetary-fiscal policies, and selective programs."

Senate Indexing Amendment Expands Tax Revenue Loss

The Senate on July 16 adopted a labor-opposed amendment to the Administration's tax bill that would sharply curtail future government revenues by indexing income tax brackets to offset inflation. The indexing would be in addition to the three years of tax reductions already in the bill.

The amendment, passed by a 57-40 vote, would cause billions of dollars of revenue losses each year. The AFL-CIO charged also that the add-on indexing "would undermine efforts to enact changes in the future to promote tax justice."

FOR LABOR'S POSITION

Democrats 32

Bentsen (Tex.)	Chiles (Fla.)	Inouye (Hawaii)	Mitchell (Me.)
Biden (Del.)	Cranston (Calif.)	Jackson (Wash.)	Nunn (Ga.)
Bradley (N.J.)	Dodd (Conn.)	Johnson (La.)	Pell (R.I.)
Bumpers (Ark.)	Eagleton (Mo.)	Kennedy (Mass.)	Randolph (W.Va.)
Burdick (N.D.)	Ford (Ky.)	Leahy (Vt.)	Sarbanes (Md.)
Byrd, H. (Va.)	Glenn (Ohio)	Long (La.)	Sasser (Tenn.)
Byrd, R. (W.Va.)	Hollings (S.C.)	Matsunaga (Hawaii)	Stennis (Miss.)
Cannon (Nev.)	Huddleston (Ky.)	Metzenbaum (Ohio)	Williams (N.J.)

Republicans 8

Baker (Tenn.)	Chafee (R.I.)	Heinz (Pa.)	Weicker (Conn.)
Boschwitz (Minn.)	Cochran (Miss.)	Mathias (Md.)	Wallop (Wyo.)

AGAINST LABOR'S POSITION

Democrats 14

Baucus (Mont.)	Exon (Neb.)	Melcher (Mont.)	Riegle (Mich.)
Boren (Okla.)	Hart (Colo.)	Moynihan (N.Y.)	Zorinsky (Neb.)
DeConcini (Ariz.)	Heflin (Ala.)	Proxmire (Wis.)	
Dixon (Ill.)	Levin (Mich.)	Pryor (Ark.)	

Republicans 43

Abdnor (S.D.)	Goldwater (Ariz.)	Laxalt (Nev.)	Rudman (N.H.)
Andrews (N.D.)	Gorton (Wash.)	Lugar (Ind.)	Schmitt (N.M.)
Armstrong (Colo.)	Grassley (Iowa)	Mattingly (Ga.)	Simpson (Wyo.)
Cohen (Me.)	Hatch (Utah)	McClure (Ida.)	Specter (Pa.)
D'Amato (N.Y.)	Hatfield (Ore.)	Murkowski (Alaska)	Stafford (Vt.)
Danforth (Mo.)	Hawkins (Fla.)	Nickles (Okla.)	Stevens (Alaska)
Denton (Ala.)	Helms (N.C.)	Packwood (Ore.)	Symms (Ida.)
Dole (Kan.)	Humphrey (N.H.)	Percy (Ill.)	Thurmond (S.C.)
Durenberger (Minn.)	Jepsen (Iowa)	Pressler (S.D.)	Tower (Tex.)
East (N.C.)	Kassebaum (Kan.)	Quayle (Ind.)	Warner (Va.)
Garn (Utah)	Kasten (Wis.)	Roth (Del.)	

Absent: Domenici (R-N.M.); Hayakawa (R-Calif.), Tsongas (D-Mass.).

Pilots Accept Panel's Verdict On Cockpit Crew Complement

The Air Line Pilots have agreed to abide by the findings of a special presidential task force that there is no need for a third cockpit crew member on several new types of passenger jet aircraft.

A second AFL-CIO affiliate, the Flight Engineers, registered strong displeasure, however, saying it remains convinced that "maximum safety for future airline passengers has been compromised" by the decision.

The panel's recommendations were issued earlier this month after a three-month study. The crew size controversy was one of several issues that prompted ALPA last March to threaten a one-to-three-day industry-wide strike.

"We obviously were disappointed when the President's Task Force on Crew Complement did not support our contention that the three-man crew should remain the industry standard for cockpit manning," ALPA President John J. O'Donnell said in a statement after the union's executive board voted to accept the panel's recommendation.

"However, when we requested the formation of the Task Force from the Reagan Administration, we pledged to accept the findings of a fair and impartial investigation of the issue. This action fulfills our part of the pledge." The Flight Engineers said that no member of the union would lose a job because of the decision.

Reagan Slashes Assailed

10,000 Seniors Rally To 'Save Our Security'

(Continued from Page 1)

the Administration as part of its planned $40 billion cuts in domestic spending.

IN A KEYNOTE address to the conference's general session, Kirkland urged the delegates to lobby to save social programs now and to look ahead to the 1982 elections.

"It is not too early," he said, "to begin working to guarantee that our friends in Congress are not overwhelmed by a vicious right-wing assault."

"Our opponents should be forced to run on their records," Kirkland declared, without concealing the fact "that they voted to destroy programs that have helped improve the lives of every American citizen."

He pointed out that members of Congress did not get elected by campaigning for cuts in social security, yet many are now supporting the Administration's position that the system can only be saved by slashing benefits.

The system's problems, he told the delegates, can be solved without cutting benefits and without backward steps.

THE HEART OF the Administration's plan, Kirkland said, would cut early retirement and disability provisions, ignoring the fact "that fully two-thirds of all people who retire before 65 do so, not because they are malingerers, but because they are sick, their jobs have been destroyed, or they are subject to some form of compulsory retirement plan. The 80 percent of full benefits paid to these workers is based, not on overweaning generosity, but on the cool calculations of actuarial tables and insurance principles."

Kirkland stressed, too, that the Administration should not be allowed "to drive a wedge between active workers and those who are receiving benefits." He pointed out that younger workers are willing to pay the costs of social security because they understand that cutting back the system will not only mean lower benefits for themselves in the future, but also a greater immediate burden in paying through other sources for programs to aid the elderly.

He pointed out that the problems facing the social security system can be realistically met through interfund borrowing, partial financing from general revenues and income tax credits.

Kirkland called on the delegates to rally citizens in their home congressional districts to pressure legislators to support such measures.

Workshop sessions at the conference focused on specific dangers to older Americans posed by the Administration's budget cutbacks. The topics included threats to income protection, health care and Medicare, housing and high energy costs, reductions in food stamps and social services, and programs to create jobs for older workers and combat discrimination.

AFL-CIO COPE Director Al Barkan urged the delegates "to declare the 1982 election campaign open now." The alliance between labor and senior citizens is strong enough to work "all out for a veto proof" Congress that will stop the Administration's drive to reverse 50 years of social progress, Barkan declared.

OTHER LABOR speakers at the conference included Operating Engineers President J. C. Turner and Machinists President William W. Winpisinger.

The 3,000 delegates approved a resolution pledging to fight "attempts to reduce the federal government's continuing obligation to work for social justice in America" and specifically condemned attempts to balance the federal budget by cutting back social security benefits and eligibility.

THE DELEGATES devoted the time before and after the social security rally to personal visits to representatives on Capitol Hlil. The meeting also included a ceremony dedicating the NCSC's new headquarters. Rep. Claude Pepper (D-Fla.), chairman of the House Select Committee on Aging, was a guest of honor at the event.

Other speakers included Sen. Howard M. Metzenbaum (D-Ohio): Sen. John Heinz (R-Pa.); Sen. Paul Sarbanes (D-Md.); Rep. Lindy Boggs (D-La.); Rep. Toby Moffett (D-Conn.); Coretta Scott King, president of the Martin Luther King Foundation; Clarence M. Mitchell, president of the National Black Caucus of State Legislators; Carol Greenwald, president of the National Consumer Cooperative Bank; and Eleanor Smeal, president of the National Organization for Women.



SOCIAL SECURITY SYSTEM'S ills can be cured by interfund borrowing, funds from general revenues and income tax credits, AFL-CIO President Lane Kirkland tells delegates to the National Council of Senior Citizens legislative conference in Washington. Kirkland called the Reagan Administration's plans to cut benefits "stealing from social security to balance the federal budget." Seated are NCSC President Jacob Clayman, left, and Executive Director William Hutton.

Union Stresses Urgent Need For Chemical Labeling Rules

America's workers have a right to know about the health risks they encounter on the job, and an effective labeling requirement is "desperately needed," the Chemical Workers testified at House hearings.

Richard Lewis, an occupational health specialist with the ICWU, said the union's files are bulging with requests from locals for help in identifying chemicals carrying only trade names and sometimes identified only by manufacturer code numbers.

WORKERS WANT to know: "What is it?" and "what will it do to me?" he testified.

Lewis quoted from a typical letter sent to the ICWU health and safety staff:

"Four members have been complaining of a rash on their arms and bodies. One member has been getting sick while in contact with this dust."

Yet the only information about the suspect substance, he testified, was a meaningless code number.

THE HEARINGS being held by an Education & Labor subcommittee concern the Reagan Administration's withdrawal of a hazard identification regulation that had been proposed last January. Labor Sec. Raymond J. Donovan withdrew the regulatory proposal, terming it a "midnight regulation" of the outgoing Carter Administration, and cancelled hearings at which interested parties were to have commented on the proposal.

The AFL-CIO had charged that withdrawal of the regulations was a politically motivated response to pressure from the chemical industry.

Earlier in the hearings, the Chemical Manufacturers Association had contended that industry labeling standards are adequate and that chemicals that could be hazardous under certain conditions need not carry a warning label if there is no danger when a product is used in the way it is intended.

LEWIS TOLD the subcommittee that experience proves that accidents and misuse of products occur. And in the absence of clear warning of hazards, "some workers tend not to push for ventilation or equipment repair or even report malfunctioning equipment because of job production pressures."

The day-to-day health hazards that workers encounter shouldn't be obscured by "impersonal" statistics, Lewis said.

He told the subcommittee of an episode last summer at a Conoco plant in Baltimore.

AN ICWU MEMBER refused an order to clean a chemical tank that contained benzene residue because he considered the job too dangerous.

The company subsequently hired four temporary day laborers with no experience in dealing with toxic chemicals. As the men were leaving the tank to take a break from the harsh fumes, Lewis recounted, one of them fell unconscious and could not be revived. An autopsy confirmed that he had died of acute benzene poisoning.

AFGE Protest to Spotlight Immigration Service Cutback

The American Federation of Government Employees has sharply rapped the Reagan Administration for its inaction on national immigration policy and its budget cut recommendations for the Immigration and Naturalization Service.

Mike Harpold, president of AFGE's National Immigration & Naturalization Service Council, announced at a Washington press conference that the union has scheduled a day of protest Aug. 21 to draw public attention to the country's "serious immigration problems."

AFGE PRESIDENT Kenneth T. Blaylock, who also spoke at the press conference, said the informational pickets, airport handbilling and other activities planned for the protest day are part of an overall effort by the AFGE to counter widespread anti-government worker attitudes.

"We are going to take the real story of what is happening to the American people," Blaylock declared.

What is happening at INS, Harpold pointed out, is an Administration recommendation to cut 1,335 positions at the INS, which is an agency of the Justice Dept.

THESE CUTS would mean a 38 percent reduction in the number of investigators and a 12 percent reduction in inspectors, according to the union's estimates.

Harpold reported that inspectors, as well as other INS employees, now often work a mandatory 160 hours per two-week pay period—double the normal 40-hour workweek.

Moreover, the Administration has proposed the cuts at a time when the numbers of immigration applications, foreign tourists, and illegal aliens are increasing at record rates, Harpold said.

IN A JULY 2 letter to President Reagan, Blaylock said the absence of an INS commissioner since 1979, proposed manpower reductions and the lack of a clear immigration policy conflict with Reagan's stated goals of "improving the economy, reducing unemployment and eliminating waste and inefficiency in the government."

He cited a recent Government Accounting Office estimate that at least 5 million illegal and legal aliens who are working illegally in the nation "cheat" the government and economy out of some $11 billion.

The economy would be improved, government costs could be met, and unemployment, which stood at 7.8 million in June, could be reduced "if we could recapture just 50 percent of the 5 million jobs," Blaylock told the President. Reagan has not responded to Blaylock's letter.

HARPOLD SAID these factors are contributing to serious morale problems in the agency. So far, INS personnel have carried out their duties "effectively and humanely," he said, but, without clear direction and relief from overtime duties, they may not be able to maintain their current level of performance.

He said the AFGE council wants to see the Administration put most of the March 1981 recommendations of the Select Commission on Immigration Refugee Policy into legislative proposals. The commission recommended strengthening ports-of-entry border enforcement efforts, increased Border Patrol operations, full funding and staffing for interior immigration enforcement, sanctions against employers who knowingly employ illegal aliens, and the granting of preference classifications for the immediate families of legal aliens. **(PAI)**

Federal Grants Urged to Improve Language Skills

Legislation that would use federal grants to encourage the teaching of foreign languages was endorsed by the AFL-CIO at House hearings.

The legislation is based on recommendations of a presidential commission appointed during the Carter Administration and would provide grants to improve foreign language programs in elementary and secondary schools and as incentives for colleges to expand foreign language class enrollments.

AFL-CIO Education Director Dorothy Shields told a House Education & Labor subcommittee that language skills in the United States lag far behind the rapid advancements in the means of communication and in the need to communicate.

"The concept of a global village has become reality," she said. But few Americans can effectively speak a second language, and "language training in the public school system of our country lags far behind that of all the other industrialized market economies of our world."

Britain's Jobless Rate Climbs to 11.8 Percent

Britain's unemployment rate climbed from 11.1 percent to 11.8 percent in July, spurred by an influx of young workers unable to find their first jobs.

Unemployment has more than doubled in the two years since Prime Minister Margaret Thatcher and her Conservative Party government took office.

Real Earnings Continue Skid For 7th Month

(Continued from Page 1)

By contrast, food and beverage costs rose only three-tenths of 1 percent, after declining the previous month and showing no change in April. But they nevertheless were 8.4 percent higher than a year ago.

THE RISE in interest rates also was reflected in higher automobile finance charges that, along with higher auto prices, offset a 1.5 percent drop in gasoline costs.

Average weekly earnings of workers in private sector, non-farm jobs were $254.88 in June, up $2.50 from the previous month and $21.55 more than a year ago.

But after taxes and the impact of inflation, a married workers with three dependents who earned the average had "real" spendable earnings in terms of the 1977 value of the dollar of $147.21, a drop of 8 cents from the previous month but $3.02 a week less than a year ago.

The Bureau of Labor Statistics has switched its index of "constant dollar" earnings to a 1977 base from the previous 1967 base. All other government indexes using a base year earlier than 1976 are being gradually shifted to a base of 1977=100. The CPI will change over next January.

THE LAST previous CPI revision was in January 1971, when the current 1967 base was substituted for the former 1957-59 base period.

Before adjustment for taxes and inflation, average hourly earnings in June were seven-tenths of 1 percent higher than the previous month. But this was partly offset by a drop of three-tenths of 1 percent in average hours worked. Despite the dip for the month, hours worked in June averaged three-tenths of 1 percent over a year ago.



DOUBLE THREAT is posed by federal and local budget cuts, Government Employees President Kenneth T. Blaylock, left, tells 1,000 demonstrators in a march organized in Washington to protest slashes in the U.S. and D.C. budgets. The cuts could endanger public workers' jobs and public service, Blaylock said. The march, organized by AFGE District 14 is part of the union's strategy to build up to AFL-CIO Solidarity Day, set for Sept. 19 in the nation's capital.

Senate Rejects Minimum Pension

The White House kept Senate Republicans in line and thwarted a Democratic move to prevent a reduction in social security payments to most of the 3 million elderly persons now receiving the minimum benefit of $122 a month.

BUT HOUSE Republicans, all of whom must face the voters in the next election, ran for political cover. They joined in passing by a near-unanimous vote a non-binding resolution urging "that necessary steps be taken to insure that social security benefits are not reduced for those currently receiving them."

Just three weeks earlier, House Republicans aided by a bloc of conservative Democrats had pushed through a budget reconciliation bill that included the benefit cuts the resolution was protesting.

The Senate battle was more meaningful, since it came on an amendment proposed by Sen. Donald W. Riegle, Jr. (D-Mich.) to the Administration's tax bill, and therefore would have had the force of law.

If adopted and subsequently approved by the House, the amendment would have nullified the cutback in social security benefits called for in both the House and Senate versions of the budget reconciliation bill that is now in conference.

THE REAGAN White House went all out to beat the Riegle amendment. Aware of the political heat Republicans were taking from the Administration's social security proposals, Reagan promised that before Congress returns from its August recess, he will make a televised address to the nation in which he would "call on the Congress to lay aside partisan politics and join me in a constructive effort to put social security on a permanently sound financial basis."

THE WHITE HOUSE even had an explanation for the apparent breaking of Reagan's campaign pledge not to reduce social security benefits for anyone now receiving them.

What the President had in mind, the White House explained, was "earned" social security benefits. The $122-a-month minimum benefit couldn't be considered "earned" because it was more than recipients would otherwise get on the basis of their pre-retirement earnings in jobs covered by social security.

On the Senate showdown, three Republicans crossed to vote with the Democrats and four Democrats went the other way.

THE SENATE had originally voted to wipe out the minimum benefit by an almost identical 53-45 margin on June 23.

In the House, Republicans got the green light from their leadership to get off the hook and avoid a "wrong" social security vote.

The result was that House Republican Leader Robert H. Michel (Ill.) made a speech arguing that ending the minimum benefit would not hurt those who are really needy since there are other welfare programs that can take up the slack. But then he said Republicans would vote for the Democratic resolution to demonstrate "that you're going to have to get up a lot earlier in the morning to make us your political pawns."

ELIMINATION of the minimum benefit for those now receiving it was included in the Republican version of the budget reconciliation bill, which was written largely in the White House. It was adopted by the House, with the help of some conservative Democratic votes, as a substitute for a budget bill that would have ended the minimum benefit for those qualifying in the future—but retained it for those already receiving it.

Before adopting the Republican substitute, the conservative coalition had blocked a Democratic attempt to force separate votes on social security and other controversial ingredients of the Republican bill.

Despite the Republican maneuver, House Democratic Leader Jim Wright (D-Tex.) said he didn't see how the House conferees on the budget bill can agree to a final version including the social security cuts in view of the overwhelming House vote.

GOP, Democratic Tax Plans Compete for Business Favor

The Republican Senate and the Democratic-controlled House Ways & Means Committee continued an economically risky competition to come up with the most lavish tax cuts for corporations and the most politically saleable package of individual income tax reductions.

As the AFL-CIO News went to press, the Senate was continuing to add to the Administration's tax bill, which the AFL-CIO protested would force America's workers to carry a larger share of the total tax burden and at the same time leave essential programs underfunded.

AMONG THE "Christmas tree" amendments added by the Senate are reductions in the windfall oil profits tax and interest exemptions that would be most profitable to taxpayers with big bank accounts.

The Senate also adopted other tax changes that, when added to other provisions of the bill, would starve the federal government of revenue and compel future budget cuts even deeper than the Reagan Administration has sought.

One amendment, which the AFL-CIO vainly urged the Senate to reject, would index the various tax brackets for the effect of inflation so as to bring about multi-billion-dollar annual reductions in tax revenue each year after the three-stage tax cut in the Administration bill.

THE INDEXING amendment was adopted by a 57-40 vote. **(Rollcall, Page 7.)**

In a letter to senators, AFL-CIO Legislative Director Ray Denison protested that its enactment would perpetuate inequities already in the bill, and "severely limit the federal government's powers to use fiscal measures as a means to stabilize the economy, promote balanced growth and reverse the unemployment spiral."

Denison said that while indexing would be of some help to low-income and middle-income taxpayers, benefits "would be far overshadowed by the absolute and relative reductions in the taxes owed by higher-income individuals and the huge and continuing losses to the Treasury."

Meanwhile, the House Ways & Means Committee continued to shape a bill that would be even more generous to oil producers and royalty holders than the Administration measure—with the goal of weaning away conservative oil state Democrats who have been part of the conservative coalition supporting the Reagan program.

THE COMMITTEE'S problem was that the Senate bill, with the Administration's concurrence, was being made so generous for oil interests that it was hard for the House Democrats to keep ahead.

A more direct conflict is in the individual tax cut portion of the bill, where Ways & Means Committee Chairman Dan Rostenkowski (D-Ill.) has been trying to come up with a two-year formula tilted more to the middle-income taxpayer than the Administration bill. His most recent proposal called for a third year of tax cuts—as the Administration has proposed—provided the economy has improved to the extent predicted by the White House.

Interest Rates Drag Down Nation's Economic Growth

The nation's economic growth declined in the April-through-June quarter, reversing the sharp surge of the previous three months.

In large part due to high interest rates, "real" gross national product—the value of the nation's total output of goods and services adjusted for inflation—fell 1.9 percent on an annual basis during the second quarter, the Commerce Dept. reported. The drop was the first since last year's recession, and followed an 8.6-percent rise in the previous quarter.

THE GOVERNMENT also reported that inflation, as measured by a broad-guaged index within the gross national product, posted an annual rate of only 6 percent during the April-June quarter, the smallest rise in three years. In the second quarter of 1978, prices went up 5.8 percent.

The April-June GNP, after adjustment for seasonal fluctuation in prices, was $2.88 trillion, the first decline since last year's recession-struck second quarter, when the GNP plummeted 9.9 percent. Fewer auto sales contributed most to last quarter's decline, with the value of cars sold dropping by $10.5 billion.

The GNP decline was widespread through the economy, led by an $18.5-billion drop in final sales and a badly slumping housing industry. Fixed investment showed a 9.7-percent plunge, computed on an annual basis, and residential housing investment, measured alone, fell by 20.6 percent.

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Tax Cuts, Budget Package Shift Economic Burdens to Workers



CONGRATULATIONS ARE exchanged in Columbus, Ohio, as delegates of the Aluminum Workers and Brick & Clay Workers approved merger of the two unions to form the Aluminum, Brick & Clay Workers (ABC). From left, are Aluminum Workers Sec.-Treas. H. Max Webster and President L. A. Holley, Brick & Clay Workers President Roy L. Brown and Sec.-Treas. Roy Lukens, and AFL-CIO Sec.-Treas. Thomas R. Donahue.

Aluminum, Brick & Clay Workers Okay Merger

Columbus, Ohio—A new 50,000-member union was formed here as convention delegates of the Aluminum Workers and the Brick & Clay Workers unanimously approved a merger agreement.

The merger, effective Sept. 1, will unite some 35,000 members of the Aluminum Workers and 15,000 members of the Brick & Clay Workers. The emerging organization will be known as the Aluminum, Brick & Clay Workers International Union (ABC).

AFTER CONVENING separately at different sites, delegations from both unions met at a downtown square and marched to the merger convention hall to voice their final approval of the agreement.

The combined delegation elected Aluminum Workers President L. A. Holley to a four-year term as president of the ABC by about a 3-to-2 margin over Allan Sutherland, research and education director of the Aluminum Workers.

H. Max Webster, incumbent secretary-treasurer of the Aluminum Workers, will hold the same post with the ABC for the next two years.

President Roy L. Brown of the Brick & Clay Workers was elected assistant to the president and organizing director.

SEC.-TREAS. Roy Lukens of the Brick & Clay Workers was elected assistant to the secretary-treasurer of the ABC. The merger convention also elected 19 vice presidents—13 from the Aluminum Workers and six from the Brick & Clay Workers—to serve on the ABC's executive board.

With the exception of Holley, all of the union's top officers will face re-election at the ABC's convention in 1983.

In an address to the delegates, AFL-CIO Sec.-Treas. Thomas R. Donahue commended the leadership of the two unions for the lengthy and successful effort to bring about the merger.

Through launching the ABC, he stressed, "you have created a new vehicle

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Congress Tilts Program To Benefit Business, Rich

By David L. Perlman

Congress began packing for a month-long summer vacation after passing tax cuts heavily tilted to the most profitable corporations and the wealthiest individuals.

The last item on its agenda was final action on $35 billion in budget cuts, including reductions in unemployment insurance, social security benefits, food stamps and school lunches.

Tax Cuts

America's workers will shoulder a bigger share of the nation's tax burden under the nearly identical Republican-drafted bills passed by the House and Senate.

Almost every loophole business has used to lower its tax payments will be enlarged. The oil industry especially will benefit, getting to keep a bigger share of windfall profits from decontrol. And individual tax cuts in the twin bills reflect what AFL-CIO President Lane Kirkland termed "naked favoritism toward the rich."

IN THE SPOTLIGHTED political battle in the House, President Reagan again demonstrated his ability to break the Democratic majority. This time, a record high of 48 Democrats bolted to give the Administration a 238-195 victory over the "Democratic alternative."

It wasn't much of a choice, as the trade union movement saw it. The AFL-CIO had called for rejection of both versions as almost equally destructive in terms of the nation's needs and tax equity.

A THIRD VERSION, which the AFL-CIO backed as "far more equitable," was beaten on a 288-144 vote. It was sponsored by Democrats Morris K. Udall (Ariz.), David R. Obey (Wis.) and Henry S. Reuss (Wis.), but opposed by the party's leadership.

Its defeat left only the bill shaped by the Democratic majority of the Ways & Means Committee and the Republican substitute bill before the House.

(Continued on Page 2)

Budget

The budget reconciliation bill put together by a House-Senate conference committee destroys or weakens many of the programs the trade union movement has supported over the years.

The damage, however, wasn't done by the conferees. In some cases, they salvaged programs marked by the Reagan Administration for elimination.

EARLIER, Congress had rubber-stamped the Administration's budget targets and swallowed the White House strategy of using the budget process to accomplish a large part of the Administration program, including substantive changes in laws. And just last month, a conservative coalition in the House adopted almost sight unseen a Republican budget reconciliation bill cluttered with scores of last-minute changes made to win over conservative Democratic votes.

All that was left to the conference—actually a series of some 58 mini-conferences dealing with various subject areas—was to resolve the differences between the Republican bill passed by the Senate and the Republican bill passed by the House.

The conference decisions hadn't all been assembled when the AFL-CIO News went to press. But in some of the areas of special interest to labor, this is what the $35 billion in budget cutbacks would do:

SOCIAL SECURITY—After next February, persons receiving the minimum social security benefit of $122 a month will have their payments reduced—unless Con-

(Continued on Page 2)

Union Contracts Boost Wages 11.3%

Major collective bargaining agreements reached in private industry during the first six months of 1981 will give union members an average 11.3 percent wage increase during the first year of the contracts and an average annual boost of 9.2 percent measured over the life of the pacts, the Bureau of Labor statistics reported.

The settlement data for the first half of the year compare with first-year increases averaging 9.5 percent and annual raises of 8 percent averaged over the full term under contracts previously bargained by the same parties.

The data exclude any changes due to cost-of-living adjustment clauses and are derived from contracts covering 1,000 or more persons each.

The settlements covered a total of 927,000 workers in 233 bargaining units.

The higher contract yields resulted largely from higher settlements in the construction industry. The average first-year wage boost of 13 percent in that sector compared to 10.1 percent in other industries. Settlements in construction covered 42 percent of all workers under agreements reached during the first half of 1981. The coal settlement covered 17 percent.

In key contracts covering 5,000 workers or more, wage and fringe benefit increases together averaged 11.4 percent for the first year and 10 percent annually over the life of the agreements, BLS reported.

CONTRACTS negotiated during the first six months of the year had an average duration of 31.2 months, the same as the expired contracts bargained previously by the parties.

Other highlights of the report:

- Settlements in manufacturing industries averaged 8.1 percent for the first year and 6.4 percent annually over the full term.
- Non-manufacturing settlements provided an average first-year increase of 12 percent and annual increases averaging 9.8 percent over the life of the agreements.
- Construction pacts averaged 13 percent in the first year and 10.9 percent a year over the life of the contracts.
- Cost-of-living clauses covered 195,000 workers, or 21 percent, of those under settlements reached during the first six months of 1981. Clauses were introduced

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Budget Ax Cuts Key Social Programs

(Continued from Page 1)

gress reverses course. A Democratic-led effort was being made in the House to delete that provision from the final version of the reconciliation bill.

Social security benefits for surviving children over 18 attending college will be phased out. A parent caring for a child will receive benefits only until the child is 16, although the child's benefits will continue to be paid until 18. On the plus side, the conferees rejected a Senate provision that would have further restricted eligibility for disability insurance benefits.

UNEMPLOYMENT INSURANCE—As of Oct. 1, 1981, there will no longer be a national trigger based on the insured unemployment rate that will allow an additional 13 weeks of extending benefits to be paid, on top of the normal 26-week maximum of state programs. Further, state extended benefit programs will "trigger-off" sooner than otherwise because of a change in the calculation of the unemployment trigger.

A year later, new restrictions on eligibility for extended benefits will be imposed, including a requirement of 20 weeks of employment during the "base period" on which entitlement is based. And an insured unemployment rate of 6 percent will be required to trigger extended benefits in a state, up from 5 percent under present law.

FOOD PROGRAMS—Eligibility for food stamps was limited to households with gross monthly incomes not more than 130 percent of the poverty level, except for the elderly or disabled. Overall funding was cut $1.66 billion for fiscal 1982, nearly $200 million more than the Administration had sought.

The unrelated child nutrition program, primarily school lunches, will be cut by $1.5 billion. The budget "savings" will come from making fewer children from low-income households eligible for free lunches and raising the price of school lunches for the 16 million children who pay for their meals.

EDUCATION—A number of school programs were consolidated into block grants instead of being earmarked for specific purposes, with total funding cut. But the conversion was less than the Administration had sought. The basic program of aid to disadvantaged children will continue, although with $500 million less in funding than the projected need. Impact aid to school districts with federal installations was reduced but not eliminated.

Eligibility for college student loans was tightened, with only households with incomes under $30,000 a year exempt from a means test. The interest rate, now 9 percent, will rise to a 12 to 14 percent range.

FEDERAL PAY—The budget cap would limit federal employees to a 4.8 percent pay raise next October, instead of the 13 percent they could get under the current comparability formula. But the conference scrapped a House-passed provision that would have substantially increased the cost to employees of health insurance coverage by requiring their health plan to pick up costs for retirees that are now paid through Medicare.

JOBS—The $5.7 billion "savings" in the Comprehensive Employment & Training Act includes wiping out the public service jobs program.

RAILROADS—Both Conrail and the passenger train network, Amtrak, are given a better chance for survival than under the Administration's proposals. The actions make it more likely that Conrail can be sold to private operators intact, rather than through a piecemeal process that would result in abandonment of freight service.

COMMUNICATIONS—With only a thin link to the budget, the Senate sought to use the reconciliation bill to achieve a union-opposed deregulation of radio and television broadcasting. Some of the worst features were modified by the conference. But radio station licenses are extended from three years to seven years, television stations from three to five years, and selection of new TV stations will be made under a complex lottery system rather than an assessment of community needs.

HEALTH CARE—Medicare patients now must pay the first $228 of hospital costs. This will rise to $256 now and to $328 by 1984. The premium cost for the voluntary insurance for non-hospital medical expenses will also go up more than it would otherwise.

Medicaid spending ceilings will be reduced, but not through the "cap" on federal payments to states sought by the Administration. Also rejected was an Administration provision to reduce the minimum federal payment from 50 percent to 40 percent of state expenditures.

HOUSING—Subsidized housing for low-income families was reduced even below the Reagan budget. The fiscal 1982 ceiling would be 153,000 additional subsidized apartments, down from 210,000 this year, 260,000 sought in the Carter Administration budget last January, and 175,000 proposed by the Administration. Rents paid by tenants will rise in steps from 25 percent of income to 30 percent.

TRADE ADJUSTMENT—This labor-supported program to assist workers whose jobs are wiped out by imports is virtually demolished. The budget "savings" is $1.3 billion; the amount left is $317 million, largely for retraining-related costs. Regular state unemployment insurance benefits will replace the more generous trade adjustment formula.

Economic Index Declines 1.3% as Housing Slumps

The slump in housing starts pulled down the government's index of leading economic indicators for the second month in a row. Commerce Dept. figures show the composite index down 1.3 percent in June on the heels of a 1.5 percent drop in May.

The index, used to predict the direction the economy is headed, had inched up in March and April after dropping in the previous three months.

MORE THAN half the June slide was attributed to the sharp drop in the number of building permits issued, one of the 10 measures on the index. Lowered prices for raw materials accounted for another third of the decline.

Also down were the average work week, vendors' delivery performance and the nation's money supply. The only indicator unchanged was the layoff rate.

Indicators showing improvement were new orders for manufactured consumer goods, new plant and equipment orders and contracts, stock prices, and total liquid assets held by U.S. business.

THE JUNE decline in the composite index drops is to 133.8 compared with a 1967 base of 100 and mirrors the slump of 1.9 percent in an annual rate of the gross national product in the April-June quarter. The GNP had shown an 8.6 percent increase in the previous three months.

In another economic development, the U.S. merchandise trade deficit narrowed in June to a seasonally adjusted $3.12 billion compared to deficits of $3.44 billion in May and $3.46 billion in April.

The Commerce Dept. report on the measure of how much the nation sells abroad versus how much it imports said that the slimmer deficit was due to "strong growth" in exports which managed to offset an increase in oil imports.

THE TOTAL VALUE of June exports was set at $19.9 billion, up 5.3 percent, and the value of imports was $22.9 billion, up three percent.

The rise in oil imports was due to federal government purchases to add to the nation's strategic oil reserve, the Commerce Dept. said.

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Reagan Tax Script Shifts Burden

(Continued from Page 1)

The distribution of the individual income tax cut in the Democratic version was "marginally less inequitable toward America's workers" than the Reagan bill, Kirkland said. "But the differences between the two bills are overwhelmed by the similarities," he stressed.

Both versions, Kirkland said, "widen the gap between the haves and the have-nots in our society. . . . They single out oil companies and those who collect oil royalties for special tax cuts that will cost the Treasury many billions of dollars."

The Senate completed action on its bill the same day, and a House-Senate conference will work out the differences.

In terms of individual tax cuts, both measures provide a 5 percent cut effective Oct 1, 1981, a 10 percent reduction on July 1, 1982, and another 10 percent on July 1, 1983. There would be a modest, two-step lowering of the "marriage penalty" for households with two earners.

Beyond that, the House and Senate bills would establish a bracket-indexing system that would reduce federal revenues each year with the biggest cuts coming during periods of high inflation. In terms of the nation's future needs and basic economic principles, that's "the most dangerous feature" of the tax bills, Kirkland said.

THE BIGGEST tax breaks go to the most profitable corporations, wealthy investors and especially oil producers and people with oil royalties and investments.

Corporations get extra-fast depreciation writeoffs under a formula that gives bigger savings to capital-intensive firms than to labor-intensive enterprises. The capital gains tax rate is cut, and the exemptions from estate and gift taxes would rise from a current level of $175,625 to $600,000, along with a sharp drop in the maximum tax rate.

IRONICALLY, a bidding war launched by the Democrats for the votes of southern conservatives resulted in billions of dollars in additional tax benefits for oil producers and investors beyond what the Administration had initially sought.

On two previous budget votes in the House, the Democratic majority had been broken when a bloc of southern conservatives bolted to vote with the Republicans.

In an effort to avoid this, House Ways & Means Committee Chairman Dan Rostenkowski (D-Ill.) supported a string of new tax breaks for the already hugely profitable oil industry. And the Administration countered by adding other tax concessions to their bill, both the version before the Senate and the substitute bill they were preparing for the House floor.

The Democrats on the Ways & Means Committee did, however, adopt a two-year income tax reduction that would give persons with incomes under $50,000 a year a larger share of the tax reduction than the Administration had proposed. And their bill would have made a third-year tax cut contingent on the improvements in the economy that the Administration has forecast.

BUT PRESIDENT Reagan's televised speech, coupled with a massively financed Republican advertising campaign, left the Democrats on the defensive, with a "me-too" position on taxes that generated little support either in business ranks or in the party's traditional base. Forty-eight Democrats ended up voting for the Reagan bill. Only one Republican, James M. Jeffords (Vt.), broke with the Administration.

Labor's position, Kirkland said for the AFL-CIO, is that business tax cuts should be "targeted toward areas and industries that can make the most constructive use of them." And individual tax cuts should be "distributed more fairly and with a little less naked favoritism toward the rich."

AFL-CIO Vice President Fred J. Kroll Dies at 45

Philadelphia—AFL-CIO Vice President Fred J. Kroll, president of the Railway & Airline Clerks, died July 30 at a Philadelphia hospital after a five-year battle with leukemia. He was 45.

AFL-CIO President Lane Kirkland in a statement described Kroll as a "forceful and successful leader of railroad and airline workers and a recognized spokesman for a new generation of trade unionists."

HIS VOICE, Kirkland said, "will be missed in the AFL-CIO Executive Council and in the leadership of the railroad unions."



FRED J. KROLL

Born in Philadelphia on Oct. 29, 1935, Kroll was a second-generation trade unionist whose father and mother both were members of the Electrical, Radio & Machine Workers.

He joined the Railway & Airline Clerks in 1953 when he went to work for the Pennsylvania Railroad as an IBM machine operator. Eight years later, he was elected chairman of BRAC Local 587 in Philadelphia, marking the start of a lifelong career with the union that led to the presidency of the international in 1976. He was re-elected by acclamation at BRAC's 1979 convention.

Kroll was elected to the AFL-CIO Executive Council as a federation vice president in February 1978 at age 42. He was at the time the youngest member ever to hold a council seat. He was a member of several Executive Council committees, and served as a trustee of both the Asian-American Free Labor Institute and the American Institute for Free Labor Development.

He was elected chairman of the Railway Labor Executives' Association in February 1980.

SURVIVORS include his wife, Hildegarde; three daughters, Karen, Anita, and Michelle; three brothers, and his parents. The family requests that in lieu of flowers contributions be made to the Herbert L. Orlowitz Institute for Cancer at Hahnemann Hospital in Philadelphia.

The funeral was scheduled to take place in Washington, Aug. 3. Arrangements were incomplete at the AFL-CIO News press time.

With Screen Actors, Musical Artists

AFTRA Delegates Clear 1st Step of Merger Plan

Cleveland—The 44th convention of the Television & Radio Artists gave the go-ahead to plans aimed at merger with two other entertainment unions, the Screen Actors Guild and the American Guild of Musical Artists.

The 350 delegates representing AFTRA's 54,000 members voted approval of the first of three steps toward merger with SAG. Phase I of the proposal will pave the way for joint action by the unions in establishing contract proposals, conducting negotiations and ratifying national contracts covering workers in commercials and "prime time" television programs.

AFTRA'S NATIONAL board unanimously authorized the opening of merger talks with the 5,000-member Musical Artists which represents performers in opera and ballet. AFTRA, SAG and AGMA are all affiliates of the Actors & Artistes.

Bill Hillman, president of AFTRA, told the delegates the merger talks with SAG remain "on target" and that Screen Actors representatives had participated in "useful, frank and civilized airing of all issues" with AFTRA's merger coordinating committee which met prior to the convention.

The union's executive secretary, Sanford Wolff, told the delegates the proposed merger with AGMA "makes particular sense in terms of our mutual interests." Many AGMA members also belong to AFTRA and vice versa, Wolff pointed out, adding that as broadcasts of opera and ballet have increased, AFTRA has worked closely with the Musical Artists on their broadcast agreements.

WOLFF ALSO stressed that with government and private support for the arts declining, "in the future the economic salvation of these art forms lies in the electronic media."

AFL-CIO President Lane Kirkland told the delegates that other recent mergers among AFL-CIO unions have made the unified organizations "stronger than the sum of their separate parts. They have become more efficient, more effective, and better able to serve their members than either could do alone."

Working people "need all of the unity we can achieve at this time, Kirkland said, asserting that social and economic policies of the Reagan Administration are based on a philosophy of "subordinating the public interest to private profit."

KIRKLAND SCORED the Administration for its cuts in budgets that fund public radio and television and its attempts to relax regulations that require broadcasters to present all sides of opinion on issues as well as provide public service air time.

The same drive for budget cuts will hurt schools, the elderly, the disabled, the unemployed and the disadvantaged, he said, and the assaults on fair regulation are found elsewhere in the Administration's efforts to curb wage and hour and safety and health protections for workers.

He told the delegates that the AFL-CIO's Solidarity Day demonstration in Washington on Sept. 19 will give union members and their allies the opportunity "to show that there is a deep and abiding sense of solidarity among a huge cross-section of the American people where issues of social justice and fair play are concerned."

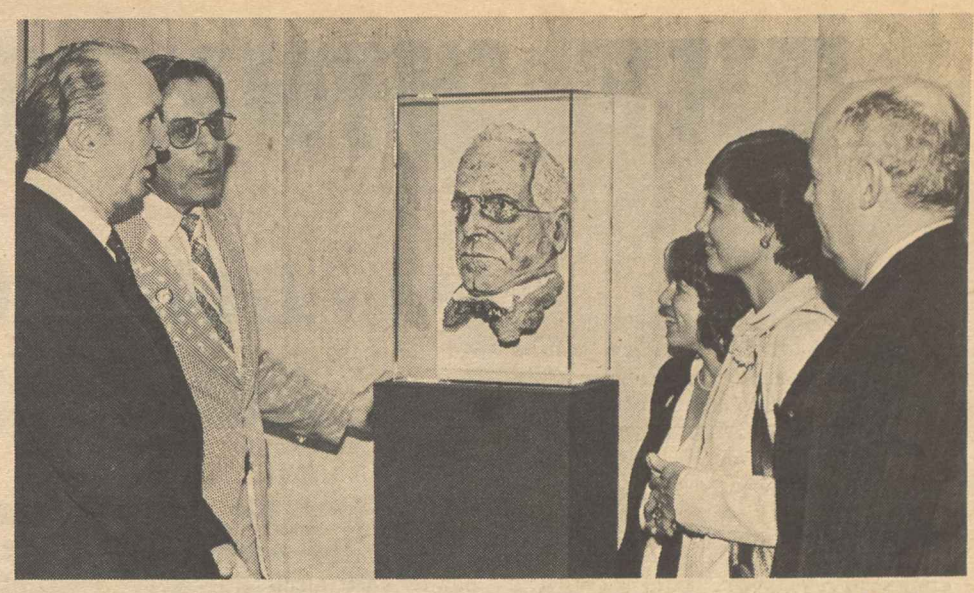
THE CONVENTION unanimously re-elected Hillman to his third one-year term. Jackson Beck of New York and Rubin Weiss of Detroit were unanimously re-elected as first and second vice presidents.

Other vice presidents elected are Tom Pettit, Washington; Stan Farber, Los Angeles; Brad Phillips, New York; Mimi Honce, Atlanta; John Sandifer, Seattle; William Burkitt, Dallas; and Frank Maxwell, Los Angeles.

The delegates re-elected Elizabeth Morgan of New York and Peter Cleveland of San Francisco as treasurer and recording secretary.

THE UNION'S highest award, the George Heller Memorial Gold Card, was presented to Rubin Weiss in recognition of contributions to AFTRA and its members.

Other resolutions adopted by the delegates included a call for stepped-up enforcement of contract anti-discrimination clauses, creation of a committee to study the needs of handicapped members, and the establishment of scholarship funds.



IMAGES OF LABOR in art and film are featured in joint summer exhibitions at the Smithsonian Institution in Washington. The exhibition of 32 original works on labor themes by top American artists was commissioned as part of the "Bread and Roses" cultural project of the Retail, Wholesale & Dept. Store Union's District 1199. The series of 24 labor films, "The Union Makes Us Strong," was compiled by the Service Employees. Viewing a bust of Samuel Gompers at the opening of the exhibitions are, from left, AFL-CIO Sec.-Treas. Thomas R. Donahue, District 1199 Executive Sec. Moe Foner, SEIU Representative Lyn Goldfarb, Edith Mayo of the Smithsonian and SEIU President John J. Sweeney.

Texas Unions Mounting Up For Solidarity Day Rally

Austin, Tex.—A record number of delegates to the Texas AFL-CIO Convention pledged strong support for the Solidarity Day protest in Washington Sept. 19 and state AFL-CIO President Harry Hubbard told a press conference that Texas would be well represented at the demonstration.

Hubbard said, "We cannot let the Reagan Administration undo 50 years of social progress without a fight. We've been in the streets before on picket lines, in civil rights marches and in a demonstration of support for a minimum wage for farm workers.

"WE'LL BE IN the streets in Washington on Sept. 19 to let the President know that Americans of conscience still care about retired people's social security, job development for youngsters from poor families, safety rules in workplace and educational opportunity for every child in the country."

Hubbard was re-elected to his fifth two-year term and Joe D. Gunn was re-elected secretary-treasurer. Hubbard is a member of the Oil, Chemical & Atomic Workers and Gunn is a member of the Communications Workers.

The delegates unanimously approved an increase in the per capita payment to the state federation from 30 cents to 40 cents a month.

Key speakers included Hispanic civil rights leader Ruben Bonilla, who is general counsel for the National LULAC organization; and Texas NAACP President A. C. Sutton, both of whom told delegates they personally will be in Washington for Solidarity Day along with other members of their organizations.

THE DELEGATES spent a day and a half of the four-day convention in 36 workshops covering topics ranging from grievances to polls, priorities and candidate recruiting.

House Majority Leader Jim Wright, who represents Fort Worth, Tex., in Congress, told delegates that Republicans had cried wolf about the "bankruptcy" of social security for the last 20 years. He stressed that "Congress will not allow the social security system to go bankrupt."

The convention expressed strong opposition to President Reagan's proposed "guest-worker" program, as part of his immigration policies, saying that it would be especially harmful to workers in unskilled and semi-skilled jobs in states along the Mexican border. The state chapter of the Labor Council for Latin American Advancement adopted a similar resolution.

HUBBARD TOLD the delegates in his report that membership in the Texas AFL-CIO had increased by 42,000 in the last two years and that it would top 300,000 by mid-August.

The convention put heavy emphasis on fund-raising for the Texas COPE. Cash contributions, pledges and sales of promotional items totaled $143,550.

'Adjustable' Mortgage Safeguards Urged

The AFL-CIO asked Congress to erect stronger safeguards against a proliferation of "adjustable rate" home mortgages that could lead to huge, unpredictable and unaffordable increases in home payments.

Henry B. Schechter, director of the federation's Office of Housing & Monetary Policy, expressed concern at increasingly permissive home loan regulations that have led to a shift from fixed rate, fixed payment mortgages toward various types of adjustable interest rate loans.

Initially, he noted in testimony before a House Banking, Finance & Urban Affairs subcommittee, restrictions on variable rate mortgages gave homebuyers a reasonable degree of protection against sharp increases in monthly payments.

But "with each successive set of regulations, the disclosure requirements to protect the borrower have been reduced," he testified. "The potential for borrower options as to standard versus adjustable rate mortgages has been significantly eroded, and the shift of interest rate changes from lender to borrower has become practically unlimited."

Schechter noted that a further easing of regulations regarding "balloon payment home loans," which require periodic refinancing of mortgages, has been proposed by the Federal Home Loan Bank Board and would mark a reversion to conditions that existed in the 1920s.

IF ONE OF the proposed regulatory changes had been in effect in December 1977, a homebuyer with a $50,000 mortgage would have seen his monthly mortgage jump from $420 to $621 in just three and one-half years.

He warned that allowing such rapid rises carries the potential for a wave of "defaults, distress sales and foreclosures."

To protect home buyers and to counteract economic instability, the AFL-CIO testimony proposed that all federally chartered or federally insured lenders should be required to make at least half their mortgage loans or purchases fixed rate, fixed payment plans.

Further, borrowers should be given detailed disclosure information that would enable them to make an informed choice as to the type of mortgage they wished.

Schechter urged also that interest rate increases under adjustable mortgages should be limited to one-half percent a year and to a cumulative increase of 3 percent over the life of the mortage.

Experience in California, where variable rate mortgages have been common, and in other countries indicates that higher mortgage costs do not result in more new housing being built, he testified.

SCHECHTER stressed labor's belief that credit controls offer the most effective solution through channeling available funds to loans that serve a desired national goal without pushing up interest rates.

He said the AFL-CIO "applauds" a non-binding "sense of the Congress" resolution introduced in the House by Representatives Henry S. Reuss (D-Wis.) and Fernand J. St Germain (D-R.I.) and by District of Columbia Delegate Walter E. Fauntroy. It would call on the Administration to implement a policy of encouraging banks to target available credit on uses that will contribute to increasing productivity and lowering inflation.

THE RESOLUTION should be strengthened to prod the Administration to use the authority it has under the Credit Control Act of 1969, Schechter urged. He also suggested that legislative action be started now to make the Credit Control Act permanent, since it is scheduled to expire next June. The brief use of credit controls contributed to a drop in the mortgage interest rate from 16.25 percent to 12.25 percent during the spring of 1980, he noted.

New Film Focuses On Solidarity Day

A new 7-minute film, "Born Out of Protest," has been produced by the AFL-CIO to promote the Solidarity Day demonstration Sept. 19.

Unions and allied groups can obtain copies of the film from the AFL-CIO Solidarity Day office, 815 16th St., N.W., Washington, D.C. 20006, telephone (202) 637-5380. Prints will also be available at AFL-CIO regional offices.

The film features interviews with a steelworker, a building tradesman and a parent leaving a day care center, who tell why they will be in Washington Sept. 19. It also traces how American trade unionists were "born to protest" and have marched, demonstrated and picketed for everything they've ever won, including the 8-hour day and women's and civil rights.

Air Traffic Controllers Vote Down Contract

The Air Traffic Controllers asked the government to reopen negotiations immediately, following overwhelming rejection of a tentative contract reached in June.

PATCO President Robert E. Poli said more than 95 percent of the membership voted against ratification of the June 22 pact. The vote, completed this week, showed 13,495 against the agreement and 616 in favor of it.

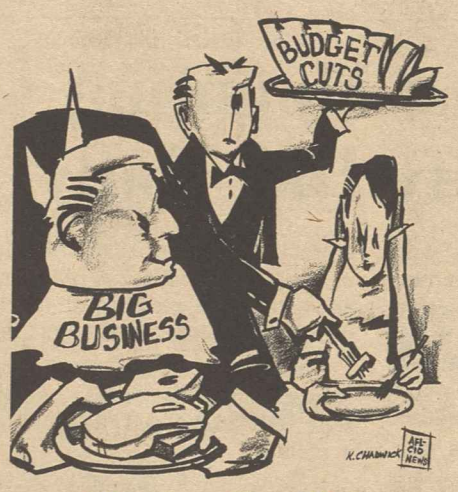
The union, an affiliate of the Marine Engineers' Beneficial Association, said that the agreement failed to address certain issues and did not offer adequate monetary benefits or a satisfactory solution to the controllers' work-hours problem.

THE WINNERS AND THE LOS

Budget Cuts Sacrifice Workers and the Needy

When the Reagan Administration's budget went to Congress, Americans were told we must all sacrifice. Now that the budget is nearly completed, it is clear who made the sacrifices —the workers, the children, the retirees, the students, the laid-off and the sick. But no sacrifices by the wealthy and the large corporations.

Here's who is making the sacrifices in the Reagan budget...



The New Equality

Social Security—Eligibility tightened and minimum benefit eliminated for three million elderly people.	**$ 11 billion**
Medicare—Elderly required to pay more for medical services.	**$ 4 billion**
Unemployment Insurance—Reduced ability to trigger extended benefits except for short-term, high unempoyment situations.	**$ 3 billion**
Trade Adjustment Assistance—Eliminated original payment levels; provided reduced benefits available to fewer workers.	**$ 3 billion**
Federal Employees—Pay increases held to below comparability and full inflation adjustment for retirees eliminated.	**$ 17 billion**
Comprehensive Employment and Training—Eliminated all public service jobs.	**$ 16 billion**
Higher Education—Needs test applied for some Guaranteed Student Loans and grants to students from low-income families reduced.	**$ 3 billion**
Elementary & Secondary Education—Reduced aid where federal facilities place burden on community.	**$ 2 billion**
Medicaid—Reduced payments to states, causing higher costs or reduced medical care.	**$ 3 billion**
Food Stamps—Strikers' families and one million working poor eliminated.	**$ 6 billion**
School Lunch—Costs to children from near-poor families increased.	**$ 5 billion**
Energy Assistance—Assistance to low-income people with high fuel bills reduced.	**$ 2 billion**
AFDC—Benefits reduced, primarily those available to the working poor.	**$ 4 billion**
Housing—Subsidized housing reduced, rents increased, and funds for repairs reduced.	**$ 1 billion***
Rail—AMTRAK subsidies cut, CONRAIL to be sold in whole or in parts.	**$ 2 billion**
Highways, Airports & Mass Transit—Funds reduced for construction and purchase of equipment.	**$ 5 billion**
Maritime—Eliminated funds to rebuild merchant marine.	**$0.1 billion**
Economic Development—Funds for urban and rural economic development reduced.	**$ 2 billion**
Postal Service—Postage costs for non-profits, such as labor, religious and education groups increased. Some Post Offices may be closed.	**$ 3 billion**
Other social service, health, education, nutrition, economic development and energy programs.	**$ 48 billion**
Total specified cuts	**$140 billion**
Unspecified cuts in 1983 and 1984	**$ 74 billion**
Total cumulative cuts by 1984:	**$214 billion**

And that's only the beginning. The Reagan Administration plans to cut Social Security by $82 billion by 1986, while tax giveaways to the wealthy will continue to grow larger.

*Also reduced $43 billion in new budget authority, which would have been spent in subsequent years.

SERS UNDER REAGANOMICS

Rich and Corporations Get Windfall Tax Cuts

Then, when the Reagan Administration's tax cut package went to Congress, Americans were told it was an "across-the-board" cut for all. But now that the tax bill nears final enactment it's clear who is getting the hefty cuts and a lot more—the rich and the large companies.

By 1984 these will be the giveaways to the rich in the Reagan tax bill...



Room Service

Tax Cuts for Wealthy Persons—About 1/3 of total rate cuts go to those now earning over $50,000—yet they equal only 6% of all taxpayers.	**$ 55 billion**
Estate and Gift Tax Cuts—Raise combined limit on estates and gifts subject to tax from $175,000 to $600,000.	**$ 3 billion**
—Slash the tax rate on net estates in excess of $2.5 million from a 70% top mariginal rate to a 50% rate.	**$ 1 billion**
—Widen special gimmicks for valuing for estate tax purposes for wealthiest farms, woodlands and other business real estate.	**$ 1 billion**
—Increase annual exemption from gift tax from $6,000 to $20,000 for married ($3,000 to $10,000 for single).	**$600 million**
Oil Tax Cuts—$2,500 windfall profit tax credit for oil royalty owners, replaced by 2 barrels per day exemption in 1982-1984.	**$2.9 billion**
—Phased in reduction of windfall profits tax rate on "new" oil from 30% to 15%.	**$400 million**
—Exempt tax on stripper oil production by independent producers.	**$700 million**
—Continue percentage depletion deduction for oil and gas production at a 22% rate, instead of scheduled phasedown.	**$ 2 billion**
Foreign Earned Income—Phased-in exclusion from taxes of $95,000 for Americans working overseas by 1986 plus additional special deductions for housing costs and a shortened overseas residence period to qualify.	**$1.5 billion**
Extension of so-called Targeted Jobs Tax Credit—Subsidizes employers. Would have otherwise expired at the end of this year.	**$500 million**
Depreciation—Provides monstrous across-the-board speed-up for businesses whereby government absorbs costs of buildings, equipment and vehicles. Greatest benefactors of these provisions are electric and gas utilities and oil companies.	**$55.8 billion**
Retirement Funds—Increase and extend individual retirement account provisions which primarily benefit upper income persons.	**$3.5 billion**
—Double deductions for self-employed individuals (from $7,500 to $15,000) that they can take annually by setting up a retirement for themselves.	**$300 million**
Unearned Income—Cut top rate on capital gains to 20% and shorten holding period for long-term capital gain treatment.	**$600 million**
—Create special exemption of $2,000 from tax for savings certificates ($1,000 for single).	**$4.7 billion**
Tax Straddles—Continue to exempt from tax the income of professional commodity traders. (Would have resulted in a revenue gain for Treasury of $400 million)	
Giveaway cuts by 1984:	**$133.5 billion**

Above are only the outrageous tax giveaways. Overall, the tax reductions amount to far more in individual and business reductions during the next several years, and threaten to cause massive deficits, higher inflation, and more unemployment.

Additional cuts by 1984: $152.6 billion

Total cumulative cuts by 1984: $286.1 billion

The 'Me Too' Tax Cuts

PRESIDENT REAGAN got the tax bill he wanted, and there was rejoicing at the White House. A press aide described the President as "thrilled and jubilant."

The U.S. Chamber of Commerce hailed the "true bipartisan spirit" shown by the House of Representatives, and a wire service bulletin carried the news that the House had given Mr. Reagan "another smashing victory over the Democratic majority."

Indeed, President Reagan won a victory. But he won it before the House voted on a tax bill, and before he made his impassioned television address to the nation.

He won when the Democratic decision-makers chose to abandon previous positions in an effort to come up with a bill so loaded with extra benefits for business groups and especially for the oil industry that the conservative Democrats who had voted with the Republicans on other key votes would simply have to side with the Democrats this time.

THE REPUBLICANS countered by sweetening up their own bill, skewing it even more to the most profitable corporations and their biggest stockholders. By then, neither bill was worthy of labor's support. As AFL-CIO President Lane Kirkland said in a statement:

"Both of these bills are designed to bring huge benefits to the corporations and the super rich, at the expense of school children and pensioners, the unemployed, the disabled and the disadvantaged.

"They would take $700 billion out of the federal treasury over the next five years . . . through savage cutbacks in health services, social security, aid to schools, food stamps, unemployment compensation, aid to states and cities, and a long list of other social programs that help people who have no place else to turn.

"BOTH OF THE tax bills would hand over half of the $700 billion to business and the richest 5 percent or so of the population. Neither bill makes any pretense of providing tax cuts where they are most needed, or where they would do the most good in stimulating the economy, creating jobs and getting America moving toward the goal everyone shares — a full-employment economy."

The AFL-CIO statement cites the many and costly tax giveaways to benefit a scant few who are already the most prosperous among us. It notes the array of "savings incentives that totally ignore the needs of those who have nothing to save." And it warns of mortgaging the nation's future to long-term commitments to continuing tax cuts.

So in the end, it didn't really matter which tax bill received the most votes in the House, except as a measure of political muscle.

ONCE AGAIN, the swing votes of conservatives whose ties to the Democratic Party grow fainter and fainter went to the Republicans and the Administration.

It's too bad that, in a futile bid for their votes, mainstream Democrats were so quick to abandon the programs that should distinguish them from their political opponents.

A "me too" policy does not become the party that has for so many years been at the cutting edge of social progress and social justice.

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'He Demands Sacrifice!'



Nation's Economy

Weidenbaum Muddles Outlook With His 'Spongy' Diagnosis

By Gus Tyler

THE NATION'S economy is "spongy," says Murray L. Weidenbaum, chairman of the President's Council of Economic Advisers.

For those who do not look upon "spongy" as a highly scientific term, Weidenbaum offers an exhilarating explanation: "I use the term spongy deliberately because a sponge is something you can temporarily depress—that is, through monetary and fiscal restraint—and it's an item that bounces back and I anticipate that this economy, being basically healthy, will bounce back."

By this definition, "spongy" becomes an upbeat word that could be used by any mechanic or professional entrusted with the care of broken down people and things. "Doctor," I say, "I am aching and paining all over. What shall I do?" He replies blithely, "Don't worry. You're spongy."

I go to the car mechanic. "My transmission won't work, my tires come off the rims, and my ignition won't ignite. What shall I do?" He replies: "Relax, Mac, your car is spongy."

WEIDENBAUM IS supposed to be a doctor. He is the one man entrusted officially with the responsibility of advising the President of the United States on what has to be done to restore our economic health to maximize employment in this country. He is supposed to come up with a prescription to ease our economic aches and pains. Instead of which he applies a sponge as a soporific, substituting a metaphor for a medicine.

To Weidenbaum's credit, it should be noted that he offers a reason for his spongy language. "My foggy crystal ball doesn't provide a clear set of numbers calibrated that closely." In other words, he doesn't know what's ahead. So instead of saying, "I'm all fogged up," he says that the economy is spongy.

HOW LONG WILL the sponge be depressed? Weidenbaum says that he expects this sad state to continue "until the fourth quarter of 1982."

After that, sometime somehow, the sponge will spring back. Why? Because sponges are spongy.

Intrigued by this notion, I consulted a friend who specializes in both natural and artificial sponges. "If you put downward pressure on a sponge," I queried, "how long will it take for a sponge to spring back?"

"IT WILL SPRING back when you take the pressure off. What are the pressures and how long will they be kept on?"

"The pressures," I quoted Weidenbaum, "are monetary and fiscal restraints imposed by budget cuts and by high interest rates decreed by the Federal Reserve Board."

"Never heard of such pressures on a sponge before," said my friend, "but when will they be lifted?"

"They'll be lifted," I explained, "after the sponge springs back."

"IN THAT CASE," said my friend, "the sponge will never return to its normal state."

"But Dr. Weidenbaum says it will spring back by 1983," I said.

"Never heard of him," said my friend. "I guess his specialty is not sponges. He's probably an economist. They're spongy."

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March for Jobs • Justice • Human Rights • Social Progress
AFL-CIO
SOLIDARITY DAY
SEPTEMBER 19, 1981
On The National Mall
Washington, D.C.

The Original Plan

A 3rd Party to Social Security

The following article by J. Douglas Brown appeared as a letter to the editor of the New York Times, May 22, 1977, and its point remains valid today. The author headed the Social Security Advisory Council in 1937-38 and was a member of four succeeding councils.

IT IS SURPRISING to one who has participated in the developing of the Old Age Survivors & Disability Insurance program (social security) since 1934 to read statements that government contributions to the system would undermine the integrity of the program, causing dire results. The planners of OASDI took precisely the opposite view. They were convinced that, as the system matured, government contributions would be necessary and fully justified to preserve the integrity of the system.

The Advisory Council on Social Security of 1937-38, which laid down the basic framework of OASDI as it has since operated, made in its final report of Dec. 10, 1938, the following recommendations on financing:

"I. Since the nation as a whole, independent of the beneficiaries of the system, will derive a benefit from the old-age security program, it is appropriate that there be federal financial participation in the old-age insurance system by means of revenues derived from sources other than payroll taxes.

"II. The principle of distributing the eventual cost of the old-age insurance system by means of approximately equal contributions by employers, employees and the government is sound and should be definitely set forth in the law when tax provisions are amended."

The signers of these unanimous recommendations included six representatives of labor, thirteen representatives of the public and six representatives of employers. Among the members were the chairmen or presidents of United States Steel, General Electric, Curtis Publishing, Provident Mutual Life Insurance and the Bowery Savings Bank and the treasurer of Eastman Kodak. The AFL and CIO, the National Association of Manufacturers and the U.S. Chamber of Commerce were ably represented. The council held many meetings over more than a year.

THE PLANNERS of the old-age insurance program estimated that government contributions would be needed by 1962 to offset the accrued liability assumed by the system in the early years in lifting millions of our people from old-age needs-test relief fully financed from general taxes.

To introduce government contributions now would, step by step, be fulfilling a proper and justifiable plan for financing a mature and effective system of contributing social insurance based on the mutual responsibility of the employees, employers and the general taxpayers of the country in protecting our people against hardship caused by old age, disability or premature death, without dependence upon needs-test relief.

Protection from Chiselers

Davis-Bacon Tenets Still Valid

The following is from an article by Robert A. Georgine, president of the AFL-CIO Building & Construction Trades Dept., in the Washington Post, June 25, 1981.

THE DAVIS-BACON ACT was motivated by problems arising on a program of federal public works begun in 1926. A few unscrupulous contractors had decided that the way to win government work was to cut wages well below the locally prevailing level in order to underbid competitors. The result was that federal projects often led to disruption of wages and working conditions within the project area.

The basic principles that led to the passage of the Davis-Bacon Act are still valid today. Incentives still exist for contractors to use wage cutting as a device for winning government contracts, and persistently high unemployment still makes construction workers vulnerable to wage-cutting pressures.

The charge by Davis-Bacon opponents that the law is little more than a device to impose union wage rates on all federal construction, even in areas where these rates do not prevail, is completely unfounded. In fact, a majority of all Davis-Bacon wage rates are set below union scales.

The general accuracy of Davis-Bacon determinations was confirmed in a 1976 study by the Council on Wage & Price Stability, which found that these wages are not typically higher than actual average wages in the communities studied.

There is also the complaint that building trades workers are overpaid and that it is our rapidly escalating wages that are the cause of inflation in constructon.

It is true that hourly wages are relatively high in construction. However, because of time between jobs, seasonal shutdowns and the periodic depressions that plague our industry, few building trades workers are able to work year round. This high unemployment means the average annual income in construction is below that in sectors such as manufacturing and transportation.

ANYWAY, IT IS not wages that are pushing up construction costs. Over the past five years, construction wages have risen at an average rate of 6 percent per year, while material prices and financing costs have increased by 9 percent per year, and the profits of large construction contractors have increased by 13 percent per year.

Efforts at controlling construction costs should be directed at items that are causing the problem —land costs, interest rates, material prices—not at reducing the wages and living standards of construction workers.

Religion-Labor Conference

Common Goals Spur Coalition

STRENGTHENING the ties between the union and religious communities to work more effectively for common goals is the thrust of the newly formed Religion and Labor Conference, Director Alan Kistler of the AFL-CIO Dept. of Organization & Field Services said on a network radio interview.

Kistler, a co-chairman of the conference, said the group will serve as "a focal point for exchange of information" that will help local coalitions work to ease community problems, such as housing, employment, plant closings and cutbacks of unemployment insurance, workers' compensation and other worker protections.

Questioned by reporters on Labor News Conference, Kistler said that the "ultimate binding element" between religion and labor is that "the roots of both run in the soil of Judeo-Christian teachings of justice, fairness and respect for human dignity."

Both institutions, he stressed, have not only concern for the poor, the underprivileged, the disadvantaged and the distressed, but also a "history and tradition of action to implement those concerns into the lives of people."

Kistler said the coalition is not directed at increasing union membership. "That," he said, "would be to exploit the natural affinity" between religion and labor.

HE POINTED OUT that the fundamentals of unionism—"fraternity, justice, respect for human dignity and the improvement of the commonwealth"—draw a positive response from those whose religious affiliation commits them to the same basic objectives. He said that is why the religious community has often "taken a leading role in supporting a labor objective, whether it be a J. P. Stevens boycott or an organizing drive.

"We want to develop those ties," he stressed.

Reporters questioning Kistler on the AFL-CIO produced public affairs program were Stephenie Overman, of the National Catholic News Service and Doug Harbrecht of the Scripps-Howard Newspapers. The program is aired weekly on Mutual Radio.



By Press Associates, Inc.

IN 1980, falling water produced 23 percent of the world's electricity, accounting for 5 percent of total world consumption of energy. But most of the world's hydropower potential remains untapped.

The technically usable water potential is 19,000 trillion watt-hours, produced at dams with a capacity of 2,214,700 megawatts. By contrast, the total world hydro production currently is only 1,300 trillion watt-hours, generated by dams with a capacity of 363,000 megawatts.

A new study by Worldwatch Institute stressed that if all economically available hydropower were harnessed, it would be sufficient to meet most of the world's electricity needs.

David Deudney says in Rivers of Energy: The Hydropower Potential that "hydropower promises to be a cornerstone of a sustainable energy economy in the post-petroleum era . . . Hydropower is clean, renewable, and, above all, an inflation-proof energy source."

UNLIKE FOSSIL fuels, water power resources are dispersed throughout the world. In more than 35 countries, falling water already generates more than two-thirds of the electricity.

The modern era of large-dam construction, Deudney notes, can be traced to the establishment of the Tennessee Valley Authority in 1933. This governmental body was given broad powers to build dams, borrow money and condemn private property to promote rural electrification, control soil erosion, improve navigation, harness power, and create recreational facilities.

TVA, which organized construction throughout an area of a million square miles, spread the benefits of its programs among thousands of small farmers and townspeople.

SUCCESSFUL hydroelectric projects have made similar contributions in developing countries. In Egypt, for example, the power from Aswan Dam electrified 99 percent of the nation's villages and created many jobs in labor-intensive local industries.

However, the study notes, there can be problems in developing nations where construction of large facilities brings soil erosion, water-borne diseases and dislocation of population. Such problems can be largely avoided through small-scale plants. In China, some 90,000 small hydro units built since 1968 provide electric light and power for rural industries.

In the industrial world, the United States and, to a lesser degree, Europe, Japan and the Soviet Union have many existing dams that have become viable sources of power due to rising oil prices.

In the United States, just since World War II, nearly 3,000 dams have been abandoned. Fewer than 3 percent of dams in this country currently generate electricity. At stake is as much as 50,000 megawatts of electricity—which could meet about 10 percent of the nation's energy needs.

The federal government has taken steps to encourage small-dam restoration including offering low-interest loans to investors and boosting tax depreciation benefits. The most wide-ranging stimulus is the "limited power producer" section of the 1978 public utility regulatory law. Private utilities now are required to buy power from small producers and to pay for it at a rate equal to the utilities' "incremental cost"—in most cases, what the utility would have to pay for new coal or nuclear capacity.

THESE GOVERNMENT incentives help overcome the high costs of renovating abandoned dams which, once refurbished and maintained, provide an inflation-proof source of energy that can last for centuries, Deudney points out.

He also suggests that the United States develop the 140,000 megawatt hydro potential in Alaska, at the same time raising power rates in more settled regions. Alaska would benefit from the new jobs created and the Pacific Northwest could avoid expensive fossil and nuclear plants.



COALITION of labor and religion to work for common goals in the tradition and history of both institutions is the aim of the newly formed Religion and Labor Conference, Director Alan Kistler, center, of the AFL-CIO Dept. of Organization & Field Services said on Labor News Conference. Kistler, who co-chairs the organization, was questioned by Stephenie Overman of the National Catholic News Service and Doug Harbrecht of Scripps-Howard newspapers.

Merger Voted By Aluminum, Brick Unions

(Continued from Page 1)

to carry forward the struggle to fulfill the hopes and aspirations of the members you're privileged to represent."

Donahue pointed out that since the 1955 merger of the AFL and the CIO, 39 affiliates of the federation have merged. He said the federation will continue to assist other affiliates seeking voluntary mergers and to work to resolve any technical problems they may encounter.

Officials of the two unions have been conducting merger discussions for the past two years. The ABC will be based in Bridgeton, Mo., a suburb of St. Louis, where the Aluminum Workers now has its headquarters.

THE PRIMARY focus of the convention was on the drafting of the ABC's constitution and bylaws. The per capita payment for the new union will be based on the equivalent of two hours pay per month, a schedule that is carried over from the Aluminum Workers' bylaws.

The Brick & Clay Workers trace their history to the late 1800s to the Terra Cotta Workers Alliance organized by the Knights of Labor. The union was chartered in 1893 by the AFL as the International Brick, Tile & Terra Cotta Workers Alliance. In 1915, it adopted its present name, the United Brick & Clay Workers of America.

THE ALUMINUM WORKERS were chartered as an organizing committee by the AFL in 1932 to represent workers in what was then a relatively new industry. A number of local unions were formed during the next two decades, and the Aluminum Workers International Union was chartered as an affiliate of the AFL in 1953.

Major convention speakers included President Frank Drozak of the AFL-CIO Maritime Trades Dept., Sec.-Treas. Earl McDavid of the Union Label & Service Trades Dept. and Howard Chester of the Stone, Glass & Clay Coordinating Committee.



PILOT PROGRAM to encourage grass roots lobbying support for AFL-CIO legislative goals gets off the ground at the first meeting of the Connecticut 4th Congressional District Legislative Action Committee. COPE Regional Director Madeline Matchko explains the new program to some 70 members of 25 local unions at the committee's meeting in New Haven, organized with the help of the Connecticut AFL-CIO President John J. Driscoll. Frank Carrano, president of the New Haven Central Labor Council is standing at center.

OSHA Grants Exceptions To Tighter Lead Standards

The Occupational Safety & Health Administration has initiated a long-delayed provision to improve safeguards for workers with high levels of lead in their blood, but at the same time it granted temporary variances from the tighter restrictions to about 30 firms, including several major lead smelters.

If the firms meet certain conditions, they can be exempt from the provision for up to a year. Primary and secondary smelters, as well as some battery manufacturers, had sought an industry-wide one-year delay in lowering the "trigger level" on blood tests for removing workers from jobs with high exposure to lead.

AS IT IS, OSHA's Assistant Labor Sec. Thorne G. Auchter held up implementation of the lower trigger level for all lead industries except primary and secondary smelters from Mar. 1 until May 15. For companies that don't qualify for the variance, the provision went into effect July 21.

Under the 1978 federal lead standard, which the Supreme Court upheld in rejecting challenges by the lead industry and the Reagan Administration, employers are required to transfer workers with high blood lead levels to other jobs in the workplace without loss of pay or other rights.

The new trigger level for medical removal is 60 micrograms of lead per 100 grams of blood, a reduction of 10 micrograms from the previous level. The affected workers may be returned to their regular jobs after the lead level in their blood drops to 40 micrograms.

AN ESTIMATED 800,000 U.S. workers face the threat of lead poisoning from high exposure to the metal on the job. About 7,500 workers are expected to be affected by the variances OSHA is granting.

High levels of exposure to lead can result in anemia, kidney failure, nervous system disorders, brain damage and death.

Mike Wright, industrial hygienist for the Steelworkers, called the OSHA action denying an industry-wide delay of the new trigger "a partial victory" for workers. Although OSHA is now meeting the provision that it should have instituted in March, Wright said, the job safety agency still is giving too much latitude to the companies by granting variances.

'81 Pay Boosts Average 11.3% For First Year

(Continued from Page 1)

or re-established in four agreements covering 42,000 workers, and dropped in seven agreements covering 25,000 workers.

SETTLEMENTS with cost-of-living provisions generally tend to yield lower basic wage increases than those without such clauses. Possible future COL adjustments, however, add to the base. First-year wage increases negotiated in the first six months of the year averaged 7.6 percent in agreements with COL clauses compared with 12.3 percent in those without such provisions, BLS said. Wage adjustments over the life of the agreements averaged 6.3 percent and 10 percent annually, respectively.

BLS said that in the first half of this year 2.9 million workers received COL increases under major agreements. The average gain for these workers was 3.5 percent, or two-thirds of the rise in consumer prices during the months of COL review.

An additional 2.2 million workers under COL clauses did not receive pay increases from this source, BLS said, because their contracts did not call for review, the maximum increase already had been granted, or the government's consumer price index had not risen to the level necessary to trigger a COL increase under their contracts.

DURING THE current July-September quarter, 104 major agreements covering 343,000 workers are due to expire or may be reopened for wage negotiations.

Kirkland Warns Social Cuts Threaten Support for Defense

Chicago—Vital popular support for defense spending could be weakened by slashes in social programs, AFL-CIO President Lane Kirkland asserted in a speech before the national convention of the Fraternal Order of Eagles here.

The AFL-CIO has been a "consistent and steadfast" supporter of strong defense policies "as a requirement for survival in a dangerous world," Kirkland said. He stressed that in a democracy cuts in needed social programs such as social security, jobs programs and aid to cities, coupled with tax cuts for the rich, can undermine public support necessary to maintain high levels of military spending.

"It makes no sense," Kirkland told the delegates, "for an Administration dedicated to repairing America's standing in the world to create new anti-defense constituencies among the elderly, the jobless, the working poor, the minorities, the sick and the disabled."

All Americans must feel that they have a stake in the survival of our society, Kirkland said, pointing out that such feelings of anticipation have been "enhanced by federal programs that have cushioned our economy against unemployment, created jobs, eased poverty, attacked discrimination, trained the unskilled, taught the young and helped the needy."

Referring to Administration statements that Americans are entitled to nothing from the federal government, Kirkland pointed out that the Constitution requires the federal government to "provide for the common defense and the general welfare."

"THE AMERICAN people are entitled to both," Kirkland emphasized. "They are not required to choose one or the other. That is the mandate of the Constitution. It supersedes any other mandate, real or imagined, which the Administration labors to extract from last November."

Kirkland was given the fraternal order's Murray-Green Award, named after the late CIO President Philip Murray and the late AFL President William Green who had both been active in the organization. The award was established to recognize the long-term relationship between the organization and the labor movement.

Kirkland praised the Eagles for their efforts since their founding in support of programs that aid workers and their families, including workers' compensation, health care and social security.

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First Backpay Checks Sent To Darlington Mills Victims

Winston-Salem, N.C.—This time the check really is in the mail for some 400 former employees of Darlington Mills in South Carolina.

The first mailing of back pay checks that will total nearly $5 million has been sent from the National Labor Relations Board regional office here to former workers at the Deering-Milliken textile factory that slammed its doors in 1956 after employees voted to be represented by the Textile Workers.

The settlement was worked out in December 1980 by NLRB General Counsel William A. Lubbers between the union, now ACTWU, and Milliken. It ends the union's 25-year struggle for just treatment of the 525 Darlington workers who lost their jobs when the mill shut down. Milliken, after decades of protracted legal stalls, agreed to the settlement when the Supreme Court upheld the NLRB decision that the company violated the law when it closed the plant as punishment for the union vote.

Amounts of the checks range from a few dollars to more than $30,000. The first checks went to 380 living former employees, and checks to heirs of the 144 deceased workers will be mailed shortly. The settlement will be complete when the probate problems concerning a final group of heirs are resolved.

Board 'Calls Up the Ranks' For Solidarity Day Protest

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Striking Air Controllers Supported, Kirkland Blasts Government Tactics

By James M. Shevis

Chicago—AFL-CIO President Lane Kirkland assailed the Reagan Administration's "brutal, repressive" measures against striking air traffic controllers, and the federation's Executive Council called on the Administration to resolve the dispute through negotiations instead of mass firings.

"Punitive measures are no substitute for fair dealing," the council said. It urged "joint and constructive efforts to work out a settlement that will be fair to the controllers, the government and the flying public."

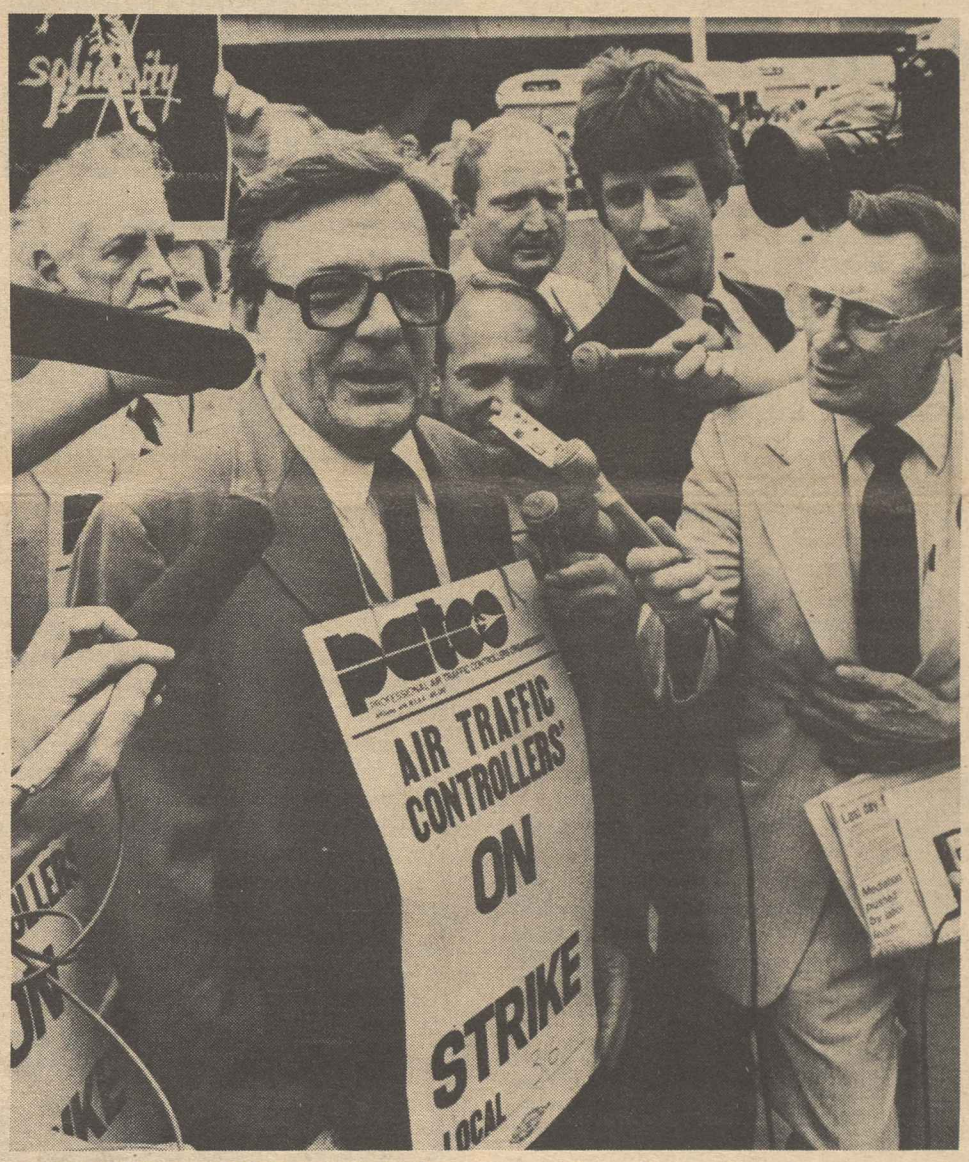
AS THE LABOR movement rallied to its support, the 13,000-member Professional Air Traffic Controllers (PATCO) held firm in its determination to achieve a redress of long-festering grievances from the Federal Aviation Administration, which employs its members at air traffic control and regional routing centers across the nation.

Neither massive fines against the union and its members nor wholesale dismissals and the jailing of at least five striking controllers succeeded in cracking the union's solidarity.

If anything, the jailings stiffened the determination of members of PATCO, an autonomous affiliate of the Marine Engineers. And the sight on national television of one striker being led to an Alexandria, Va., jail in handcuffs and leg irons after telling a federal judge he intended to stay on strike brought phone calls of protest from outraged viewers.

"THE INCARCERATION of our people hasn't helped," PATCO President Robert Poli said, adding that the union would challenge the government's actions. "I

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LEADING A PICKET LINE of Executive Council members in support of striking air traffic controllers, AFL-CIO President Lane Kirkland tells reporters why the labor movement opposes the Administration's "brutal, repressive" actions.

Asks Strong Outpouring On Sept. 19

By John M. Barry

Chicago—The AFL-CIO General Board sounded the call for a strong outpouring of trade unionists to protest the Reagan Administration's attack on social programs and workers' rights.

"We intend to demonstrate our disapproval by our presence in Washington, D.C., on Sept. 19—Solidarity Day," the board declared in a unanimous resolution.

IT RECOUNTED the record of the first seven months of the Administration, starting with its budget-balancing slashes in aid for the needy, ranging through its efforts to block or weaken job safety and health protections, and culminating in the top-heavy tax cut just enacted by Congress.

Organized labor cannot "watch from the sidelines" as this counter-revolution is "consolidated on the backs of workers," Federation President Lane Kirkland told the board.

"It is time to call up the ranks," he said. "It is time to muster our friends and allies. It is time to draw upon our ultimate source of strength, and to call upon those in whose name we speak to come forth in a display of solidarity for a humane and fair America."

KIRKLAND'S ADDRESS opened the one-day meeting of the board, which is made up of Executive Council members and principal officers of affiliated national and international unions and constitutional departments. With leaders of many state and local central bodies also participating, registration for the session reached 250, despite travel delays during the Air Traffic Controllers' strike.

The delegates also were given a preview of the new film, "A Time of Challenge," prepared for showing around the country as part of the federation's centennial observance. At the afternoon session, given over to discussion of plans and arrangements for Solidarity Day, they viewed another film, "Born Out of Protest," designed to promote participation in the Sept. 19 demonstration.

The board's resolution, introduced by Sec.-Treas. Thomas R. Donahue, called on "all affiliates, departments and state and local central bodies to give top priority to the success of Solidarity Day and commit all necessary resources to assure an effec-

(Continued on Page 3)

Council Brands Reagan Policies 'Class Warfare'

Chicago—The Reagan Administration is imposing economic policies on the nation that will put more people out of work, aggravate inflation and bring greater inequity to the American economy, the AFL-CIO Executive Council charged.

"These policies add up to class warfare against the poor and the working people of America," the council declared.

IT DENOUNCED the central elements of the Reagan program—sharp slashes in essential social programs coupled with tax cuts favoring the wealthy and giant corporations, along with encouragement of the Federal Reserve Board's high-interest rate policy that stifles production and fuels inflation instead of curbing it.

The council reaffirmed the federation's alternative program put forth six months ago with emphasis on specific inflation-fighting measures, a job-creating reindustrialization program, and a fair tax system to restore consumer buying power.

The statement on the national economy was one of a series on domestic issues, trade union matters and international affairs adopted at the council's summer meeting here.

THE MEETING opened with a memorial tribute to Vice President Fred Kroll, who died in Philadelphia only four days earlier.

The council welcomed to its membership Auto Workers President Douglas A. Fraser, who was elected to fill a vacancy created by the resignation of Vice President Emmet Andrews, former head of the Postal Workers. **(Story, page 2.)**

Throughout the meeting, the council received reports on the status of the Air Traffic Controllers' strike, which began hours before the session opened. A council statement expressed solid support for PATCO's position in the dispute and called on the government to abandon its "punitive measures" against the union and engage in "frank and open" bargaining. **(Story, this page.)**

During the noon break on the final day of the meeting, AFL-CIO President Lane Kirkland led council members as they joined PATCO strikers on the picket line at Chicago's O'Hare International Airport.

In its statement on the national economy, the council recalled that at its February meeting it had described President Reagan's program as "a high-risk gamble with the future of America, with workers and the poor taking the lion's share of the risk" and the only sure winners being wealthy individuals and corporations.

"THE PASSING months have confirmed this judgment," the council said.

It saw little prospect under the Reagan program for progress in combating joblessness, which has grown by 2 million persons in the past two years, or in the long-term fight against inflation.

"The Administration's policies on energy, housing, taxes, interest rates and money supply will make inflation worse," the statement observed.

Nor is there any likelihood of a significant reduction soon in the sky-high interest rates, which have seen the bank prime rate shoot above 20 percent and mortgage rates above 16 percent.

Yet, interest rates must be reduced, the council insisted.

"THE HIGH COST of money spreads throughout the economy," it noted, "and is built into the cost of all goods and services. Credit controls and selective credit regulation are needed to stop unproductive speculation and corporate takeovers and to target investment in housing, agriculture, small business and other basic

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AUTO WORKERS President Douglas A. Fraser is welcomed as a member of the AFL-CIO Executive Council by Federation President Lane Kirkland. Fraser was elected a vice president of AFL-CIO at the council's meeting in Chicago.

UAW's Fraser Welcomed To Executive Council Seat

Chicago — Auto Workers President Douglas A. Fraser was elected to the Executive Council as a vice president of the AFL-CIO, marking a return of UAW representation to the ranks of the federation's leadership.

Fraser was nominated by AFL-CIO President Lane Kirkland and elected unanimously by the council to fill a vacancy created by the resignation of Vice President Emmet Andrews, former president of the Postal Workers.

THE COUNCIL earlier had accepted Andrews's resignation with "deep regret," lauding his "diligence and devotion to the cause of democracy and human rights" during his service on the council and as a leader of the Postal Workers.

Fraser, who led the 1.3-million-member UAW to reaffiliation with the AFL-CIO effective last July 1, has been president of the union since 1977. Before that he had been a vice president of the UAW for seven years and a member of its executive board since 1962.

He was born in Scotland Dec. 18, 1916, and came to this country with his parents at the age of 6. After attending Detroit schools, he went to work as a metal finisher in the DeSoto plant of Chrysler Corp. when he was 18.

FRASER SOON became active in UAW Local 227 and was elected to various offices culminating with the local presidency in 1943. He joined the UAW staff as an international representative in 1947 and four years later became an administrative assistant to UAW President Walter P. Reuther. He was elected co-director of Region 1A in 1959, and at the 1962 convention, delegates elected him to his first term as a member of the UAW executive board.

Fraser has been associated with Chrysler bargaining throughout his service with the UAW. He led negotiations that won the union's pacesetting early retirement program in 1964, the first U.S.-Canada wage parity agreement in 1967, and the auto industry settlement pattern in 1973 following a nine-day strike.

When Chrysler agreed to union representation on its board of directors, Fraser was elected to a seat on the board at the company's 1980 stockholders' meeting.

HE HOLDS office or membership in numerous labor, civic and governmental bodies, including the presidency of the World Automotive Council of the International Metalworkers' Federation.

Even before the UAW's reaffiliation, he worked closely with AFL-CIO officers as chairman of the Committee for National Health Insurance and member of the executive committee of the Leadership Conference on Civil Rights. He is on the boards of the Full Employment Action Council, the NAACP and the National Urban Coalition, among other organizations.

Tributes to Kroll Cite Leadership And Dedication

Chicago—Fred J. Kroll, the late president of the Railway & Airline Clerks, was honored by the AFL-CIO Executive Council as a "forceful, faithful, and inspiring" union leader whose early death is "a tragic blow" to his family, his union and the trade union movement.

Kroll, who had also been an AFL-CIO vice president, died July 30 of leukemia at the age of 45.

The council cited Kroll as "a respected representative and spokesman of a younger generation of trade unionists." At the time of his election, he was the youngest person ever elected to the Executive Council.

KROLL BROUGHT to the AFL-CIO's governing body "a combination of buoyant optimism and energy, long with moral strength, intellectual power and seasoned judgment, grounded in the highest traditions of the American trade union movement," the council said.

His "counsel and companionship enriched us," his colleagues said.

BRAC's own executive council, in a tribute to Kroll, said his example "will guide us as we carry on the struggle to achieve the goals for which he worked and in which he so steadfastly believed: the good fight for human dignity, responsive democratic institutions and action for economic justice for all working people."

Funeral services were held Aug. 3 at the Church of the Little Flower, Bethesda, Md. and burial was at St. Gabriel's Cemetery in Potomac, Md. AFL-CIO Sec.-Treas. Thomas R. Donahue represented the federation at the services.

Otter Confirmed to Head Wage & Hour Division

The Senate confirmed William M. Otter as head of the Labor Dept.'s Wage & Hour Division. A 58-year-old attorney from Kentucky, he is the seventh Reagan appointee confirmed for a Labor Dept. post.

One other nominee is awaiting confirmation, while four presidential appointments at the department remain to be filled. Still to be confirmed is the appointment of Ford Barney Ford as head of the Mine Safety & Health Administration.

Vigorous Defense Pledged

Deregulation Drive Hit As Assault on Workers

Chicago—"The Reagan Administration is engaged in a broad attack on regulations designed to protect workers," the AFL-CIO Executive Council charged, and it pledged a vigilant defense of those safeguards in the courts.

The council said the Administration's objective is "to gut standards already on the books, to postpone indefinitely standards which were scheduled to go into effect, to reinterpret existing regulations so as to narrow their scope, and to generally reduce enforcement so that employers may violate with impunity."

TO ACHIEVE its purpose—"pro-business, regulation-free environment"—the Administration has filled key posts with unqualified, inexperienced officials and has allowed the Office of Management & Budget to "usurp" the decision-making authority on regulations, the council charged.

Its statement focused on three areas of particular concern to workers—prevailing wage laws, the Fair Labor Standards Act and the Occupational Safety & Health Act.

On the Davis-Bacon Act, which requires the payment of prevailing wages on federally financed construction projects, the council noted that the Reagan Administration had embargoed revised regulations developed after lengthy review and issued last January. In their place the Administration is considering new changes that would no longer protect community wage standards and permit employers to compete for government contracts on the basis of cut-rate wages and classifications.

UNDER THE Service Contract Act, half of all contracts currently covered would be excluded by an Administration proposal to apply the law's prevailing wage requirements only to contracts "principally for services" rather than those "substantially for services."

The Administration also is seeking to undercut the wage protections of the Urban Mass Transit Act, which insure workers in the mass transit industry that their basic wages, working conditions and job security will be maintained.

On the Fair Labor Standards Act, the council said Labor Sec. Raymond Donovan "has been sending mixed signals," leading strike force raids on apparel sweatshops while at the same time proposing to lift the ban on industrial homework in eight industries.

Donovan also has reduced the number of compliance officers to enforce the federal wage-hour law, while advocating stricter penalties for non-compliance, the council noted.

And the Secretary at first said he would withhold any recommendation on a subminimum wage for youth until after the Minimum Wage Study Commission completed its work, only to announce within a month after the commission issued its report that he supports such a subminimum for disadvantaged young people.

Also, Donovan still has a "freeze" on the rule issued last January that would have increased the minimum salary test for a worker to be considered a true executive, administrative or professional employee and thus exempt from the law's requirement of time and one-half pay for overtime beyond 40 hours a week. Under the present law, such a worker can be paid only $155 a week for a 48-hour week, whereas a non-exempt worker earning the minimum wage would receive $174 for the same workweek.

"IT IS OUR view that the title of executive or administrator is small consolation for a legal 'subminimum' wage," the council observed.

On the job safety law, the council said the Administration "has moved swiftly and deliberately to wipe out major gains in worker protection of the past four years." It cited the illegal postponement, weakening or revocation of standards on exposure to cotton dust and lead, hazards identification, walkaround compensation, hearing conservation, cancer policy, and access to medical records.

And while the Supreme Court has upheld the AFL-CIO's position that the requirement of cost-benefit analysis in the development of safety and health standards is prohibited by the OSHA law, the Administration has announced that it will simply substitute "cost-effectiveness" studies in its continuing effort to weaken these standards.

IN ADDITION, enforcement of existing standards is being watered down through reliance on inadequate state plans and drastic cuts in staff, the council pointed out.

"The AFL-CIO will continue to monitor the actions of this Administration as they affect worker standards," the statement pledged. "If the officials charged with the enforcement of labor laws continue to undermine them, we will bring appropriate legal action to enforce the laws that were established to protect basic worker standards."

Coors Boycott to Continue 'Until Justice Is Obtained'

Chicago — The nationwide AFL-CIO boycott of Coors beer will continue "until justice is obtained for Coors workers," the federation's Executive Council pledged.

The four-year-old boycott has played a role in forcing down Coors sales, market shares and income, the council pointed out, noting that the Colorado-based brewery has been knocked out of its formerly dominant sales position in three states where the boycott has had broad

Coors' sales volume in its nine prime markets has declined, a council report noted.

THE COUNCIL keyed the success of the boycott to support by union members, state and local labor councils, other interested organizations, and AFL-CIO constitutional departments, particularly the Union Label & Service Trades Dept.

In its statement, the council urged continued backing of the action, including increased financial aid.

The boycott was launched in April 1977 when members of the AFL-CIO directly affiliated local union at the Golden, Colo., brewery struck over company harassment, discriminatory practices, violations of privacy and other policies "against worker dignity."

The union was decertified as a result of a management-initiated election in which only striker replacements were allowed to vote.

"THE CONDITIONS that compelled the Coors union employees to strike for human dignity, a decent contract and genuine collective bargaining still prevail," the council pointed out, noting that the boycott continues wih the full support of the labor movement.

The council called for "all affiliates, central bodies, organizations and others concerned with corporate decency in the workplace" to step up their support of the boycott, including financial aid.



Council Assails Giveaways to Wealthy

Charges Reagan Policies Amount to 'Class Warfare'

(Continued from Page 1)

public investment essential to productivity, essential to fighting inflation and essential to economic progress."

The council stressed its continued commitment to the "detailed and specific" alternative economic program it adopted six months ago, calling for policies to deal effectively and fairly with the causes of inflation and the weaknesses that prolong unemployment.

"We declared that such policies must deal with the basic causes of inflation and must concentrate on putting America back to work," the statement said. "Such policies must include adequate resources to provide needed investment in specific industrial and geographic sectors within an overall full employment program that meets the commitments of the Humphrey-Hawkins Full Employment & Balanced Growth Act."

IN OTHER statements, the council assailed the Reagan Administration's "backward" philosophy of government that forms the basis for its "trickledown" economic policies, its tax-cutting spree favoring business and the wealthy at the expense of workers, its attack on federal regulations that protect workers, its moves to weaken civil rights enforcement, and its drive to "gut" the social security system.

The Administration drew a sharp warning from the council that it risks shattering the national consensus for a stronger defense if it pays for massive boosts in the military budget by continuing to slash domestic programs that aid low-income groups.

The council also called for a thorough review and overhaul of the nation's immigration policy, voicing deep concern at the shortcomings of the Administration's proposals in this area. Other statements stressed labor's firm opposition to the deregulation of natural gas prices while urging renewal of the President's standby authority to impose oil price controls and gasoline rationing in an emergency, called for measures "to check the monopolization of America" through corporate takeovers, supported the Ohio AFL-CIO in its fight to preserve the exclusive state fund for workers' compensation, urged an end to the discrimination against Vietnam war veterans and called on the nation to "give them the honors and benefits traditionally extended to veterans, supported renewal of the manufacturing clause in the U.S. copyright law to prevent decimation of the American book publishing industry, and proposed a series of safeguards for states adopting short-time jobless benefit programs for reduced workweeks to avoid layoffs.

THE COUNCIL also reviewed the boycott of Coors Brewing Co. products, found it effective, and urged increased support by the labor movement and consumers.

In the area of international affairs, the council called for an American policy on human rights keyed to the "universal principle" of freedom of independent association no matter what the character of a country's ruling authority may be. It also took note of the 20th anniversary of the construction of the Berlin Wall and called for its destruction as a violation of the Helsinki Accord. Another statement urged a strong American protest against the South African government's latest arrests and intimidation of trade union leaders.

In the course of its sessions, the council viewed films and television spots designed to promote the Solidarity Day protest and the federation's centennial observance. Kirkland and Solidarity Day coordinator John Perkins gave reports on preparations for the march in Washington, Sept. 19, and Sec.-Treas. Thomas R. Donahue reported on materials developed by the federation or in the works to commemorate the AFL-CIO's 100th anniversary.

The council also viewed and heard another film and tapes of radio announcements developed to counteract the National Right to Work Committee campaign to apply the Hobbs Act's anti-racketeering penalties against unionists—but not employer representatives—who engage in picket-line scuffles.



EXECUTIVE COUNCIL is briefed by AFL-CIO President Lane Kirkland at its summer meeting in Chicago. Council members adopted statements covering a wide range of issues, including worker protections, the nation's economy, slashes in social programs by the Reagan Administration and international affairs.

KIRKLAND AND International Rep. Irving Brown, the U.S. worker delegate to the International Labor Organization, reported on the AFL-CIO's participation in the ILO meeting at Geneva in June. William Doherty, executive director of the American Institute for Free Labor Development, filled in the council on the situation in El Salvador and the efforts of trade unionists there to press ahead with the land reform program against the opposition of both the left and the right.

The council approved the creation by the AFL-CIO of a Labor Institute for Public Affairs, as recommended in a report of the public relations committee presented by Vice President Glenn Watts. As envisioned, the institute would provide expertise on disseminating information via various media technologies, such as cable and satellite TV, commercial and public service time on networks and local stations, public radio and television, with special attention to how labor can achieve maximum results with limited funds.

Committee reports also were presented by Vice President Lloyd McBride and Organization Director Alan Kistler on organizing and field services, Vice President J. C. Turner on the campaign to encourage voluntary COPE checkoff clauses, Social Security Director Bert Seidman on investment of union pension funds, and Vice President Murray Finley on mergers.

Donahue gave detailed reports from the finance committee and on the AFL-CIO Mortgage Investment Trust.

THE COUNCIL voted contributions to the following organizations: League for Industrial Democracy, National Society to Prevent Blindness, Human Resources Development Institute, National Planning Association, Citizens for Tax Justice, Citizen/Labor Energy Coalition, Economics Education Foundation for the Clergy, Jewish Labor Committee, Frontlash, NAACP, United Negro College Fund, and the International Labor Program of Georgetown University.

The next council meeting will be held in Washington, Sept. 18, the day before Solidarity Day.

Board 'Calls Up the Ranks' for Solidarity Day

(Continued from Page 1)

tive, powerful expression of protest against the policies of the Reagan Administration."

AFL-CIO Vice President Peter Bommarito, speaking for the council in strong support of the resolution, said Solidarity Day is "a fitting expression of who we are, what we do and why we trade unionists banded together in the first place."

BOMMARITO, the president of the Rubber Workers, ran down the list of offenses against workers:

- The "calloused and brazen" attempt to undermine the Occupational Safety & Health Act and the Mine Safety Act.
- The effort to impose federal criminal sanctions against strikers involved in picket-line altercations, but not against management representatives committing the same offenses.
- The assault on prevailing wage protections that cover employees of federal contractors.
- The undermining of overtime standards under the Walsh-Healey Act.
- An economic "game plan" that encourages record high interest rates, threatens rising unemployment and fails to contain inflation.
- Income tax policies that shift an ever greater share of the burden to the paychecks of workers.
- The move to slash social security benefits for the elderly, widows and their children, and the disabled.

Throughout that litany, Bommarito said, "the common theme is to repress workers and quiet the voice they can express through their unions."

In discussion from the floor, a dozen speeches representing a broad cross-section of American unions were as one in condemning the Reagan Administration's policies and pledging strong participation by their members in the Solidarity Day protest in September.

KIRKLAND OBSERVED that President Reagan himself issued the challenge to organized labor that led to the call for Solidarity Day. He referred to Reagan's comment on union officials last Feb. 19 that "I happen to think that sometimes they're out of step with their own rank and file. They certainly were in the last election."

"Reagan has thrown down the gauntlet," Kirkland observed. "He claims his victims as allies. He would make working people accomplices in his assault on their interests.

"I do not believe that we can quietly turn our backs and walk away from this challenge, and still be true to our mandate. . . .

"We are not free to pick and choose our principles according to public opinion polls or media fashions.

"WE ARE NOT free to favor social security one day and acquiesce in its dismemberment the next. . . .

"We are not free to favor the minimum wage, health and safety regulations, unemployment insurance, aid to education, food stamps, tax justice, public service jobs, and equal rights one day, and then discover on the next that these were merely ways of the government 'getting on our backs.' "

Kirkland noted that labor over the past hundred years has been no stranger to rallies and demonstrations, although normally it tends to rely on other methods of expression and persuasion—lobbying, political action, education, organizing and collective bargaining.

"But these are not normal times," Kirkland stressed.

"We are not challenged on this or that specific issue. What is challenged is a broad range of programs, which we helped to create, and which rescued millions from the economic jungle.

"WHAT IS challenged is a philosophy of government," the AFL-CIO president declared.

He cited the Administration's often expressed attitude that government is an oppressive burden on the backs of the people.

"Ironically," he commented, "the functions of government most burdensome to the people, in this Administration's view, are those that minister to the needs of the people whom the free market leaves behind. These unfortunates, according to the Reagan philosophy, are also burdened by government—burdened by social security, burdened by food stamps, burdened by unemployment insurance. To remove this burden from their backs, David Stockman has proclaimed that nobody is entitled to anything from government."

But labor has a different philosophy of government, Kirkland stressed.

IT IS NOT for big government as an end in itself, he said, and having "a long memory," it approaches all government with "a healthy skepticism and vigilance."

"But in a democratic society," he said, "the people have the right to shape the government into an instrument that meets their needs."

Kirkland noted that at one time the government was not an instrument of the people, when most citizens, including the majority who were women, were denied the right to vote, and the government belonged to "white men of property" and "served the interests of those who owned it."

Through protest, struggle and organization, he said, the people were able to reshape government "into an instrument for the reduction of gross inequality and injustice," making it more nearly a government "of, for and by the people."

"THIS IS the kind of government we helped to build—and are still working to perfect," he said. "This is the kind of government the Administration seeks to dismantle."

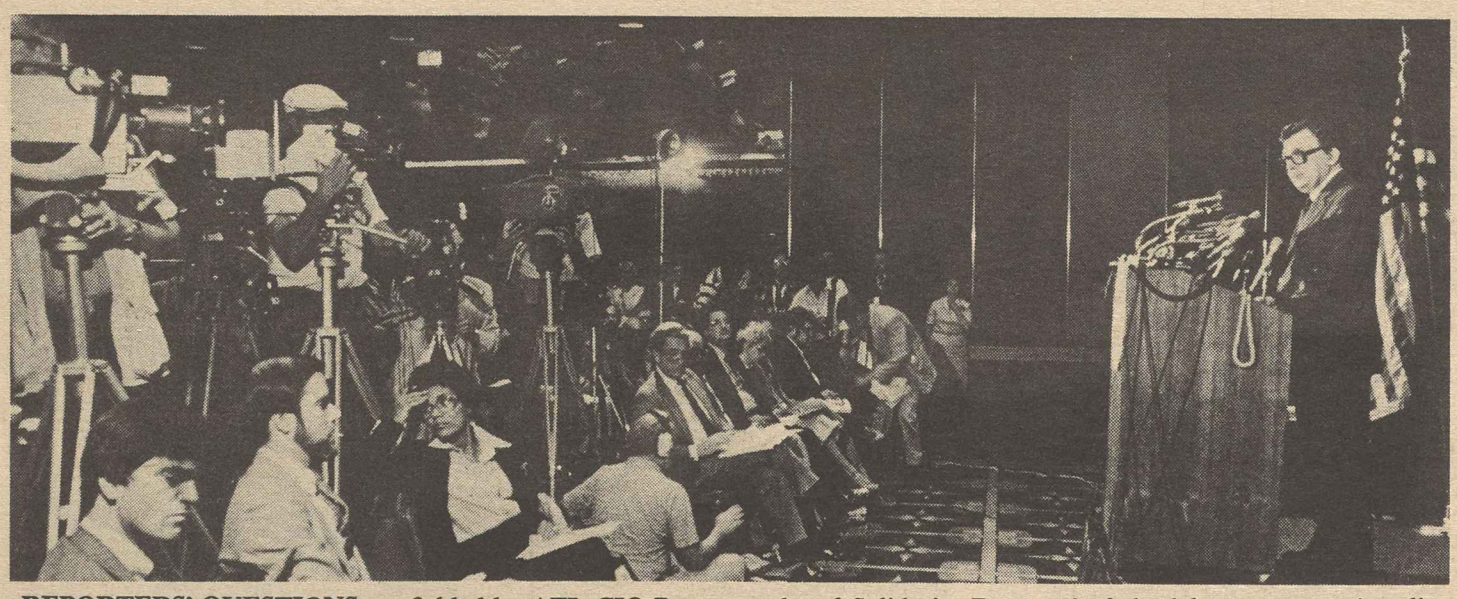
Taking note of the federation's centennial year, Kirkland observed that labor's own mandate has been built and tested over a century of struggle and achievement.

"It is time to renew our mandate," he told the general board.

Foreign Trade Deficit Surges in Second Quarter

The nation's trade deficit, measured on the so-called balance of payments basis, expanded sharply in the April-June quarter as a stronger dollar made American-made goods less competitive overseas.

The Commerce Dept. reported the second-quarter deficit was $6.99 billion, up from a first-quarter trade deficit of $4.6 billion. About one-quarter of the increase in imports was due to the increased cost of imported oil.



REPORTERS' QUESTIONS are fielded by AFL-CIO President Lane Kirkland during a news conference between sessions of the Executive Council meeting in Chicago. He spoke of Solidarity Day, and of the labor movement's solidarity with striking air traffic controllers standing up against mass firings, heavy fines and jail sentences.

New Tax Bill Takes from Workers To Give to Corporations, Wealthy

Chicago—The tax cut bill passed by Congress at the Administration's insistence will "shift hundreds of billions of dollars from the paychecks and programs that sustain working Americans to the rich and corporations," the AFL-CIO Executive Council charged.

The council cited revenue losses that will mount from $36 billion in fiscal 1982 to an estimated $250 billion in the fifth year. Most of the benefits will go to the most prosperous corporations and to the wealthiest individuals.

"THESE ARE funds that should be channeled and directed to creating jobs," the council insisted.

It said the revenue that will be given up is needed for "revitalizing and rebuilding the nation's cities, industries and distressed areas; meeting the needs of the poor, the old and the disadvantaged, and providing an effective and fair reduction in the tax burdens of moderate- and middle-income Americans who are paying more than their fair share."

The council statement scored the Administration tax bill as the product of "private greed, political expediency and trickle-down theories" of economics.

IT WARNED that "shoestring public budgets" will add to social tensions as well as economic problems. The huge revenue loss will "assure a continuance of inflation and sky-high interest rates."

And it contrasted the difference between the modest tax reduction of a typical working family and the 12 times greater savings to a family with a $100,000 income over the three-year period.

Business taxes will be slashed by more than $170 billion between now and 1986, the council statement projected. That would drop the effective corporate tax rate from about 30 percent at current levels to 14 percent.

OVER THE SAME period, the council said, the tax changes will reduce the corporate share of federal income tax receipts from 21 percent to 12 percent. And corporate taxes will drop from 12 percent of the federal budget to an estimated 8 percent of the budget.

Even that doesn't take into account the full tilt of the Administration tax bill, the council noted. It cited also:

- Near elimination of the federal estate and gift tax.
- Special "savings incentives which benefit higher income individuals, completely exclude those who are unable to save, contribute nothing to the level of funds available for productive investment and heighten the competition for available funds."
- Still more "tax preference to oil producers, oil royalty owners and corporate executives."

Congress gave final approval to the tax bill while the Executive Council was in session, approving a House-Senate conference agreement on similar bills passed by both bodies.

Sen. Edward M. Kennedy (D-Mass.) made a last-minute effort to get the Senate to send the bill back to conference because it included a number of special concessions to oil producers and royalty holders that had been added by the House. He said the bill's exemptions from last year's oil windfall profits tax would cost $33 billion in needed revenues over the next 10 years. But the recommittal motion was beaten, 55-20.

THE EXECUTIVE Council statement reiterated the AFL-CIO's support for "a carefully designed tax reduction program." The federation had proposed a social security tax credit for workers, a smaller credit for employers, and business tax concessions carefully targeted to reindustrialization goals set by a tripartite body.

It stressed that the AFL-CIO "will continue to press for a tax structure that is based upon ability to pay and that assures a public sector adequately equipped to deal with the economic, social and defense needs of the nation."

Corporate 'Merger Fever' Held Bad for Nation's Health

Chicago—The unrestrained corporate growth by mergers and acquisitions must be better controlled and regulated in the national interest, or all Americans will suffer, the AFL-CIO warned.

"These giant corporations try to dominate and control not only specific business activities but seek to influence the entire U.S. economy and society," the Executive Council charged in a statement here.

"THEIR INTERESTS are frequently inimical to that of workers and individual taxpayers and contrary to America's basic economic, political, and social goals."

The "merger fever" is rapidly rising, the council noted, adding that the rate of corporate mergers increased a third faster in the first half of 1981 than in the same period of 1980. DuPont, Mobil, and Seagram—all giants in their own right—have seized center stage in the battle for control of Conoco, the nation's ninth largest oil company, it pointed out.

"But cash-rich oil giants like Exxon, Gulf, Standard Oil of California, and Texaco, with billions of dollars on tap, are on the prowl for still more corporate mergers and acquisitions," the council observed. "Their merger mania makes a joke of the theory that big windfall oil company profits would go into new investment in energy exploration and development."

CONSUMERS clearly suffer from concentrated economic power resulting from merger and acquisitions of corporate giants, the AFL-CIO warned, yet the Reagan Administration sees nothing wrong in the monopolization of America.

"Conglomerate mergers and multinational corporations' decisions to shift production to overseas plants often result in plant closings and plant shutdowns that throw workers and local communities on the scrap heap," the council said. "Job loss and loss of local industry are inevitable as corporations concentrate on profits and ignore their social responsibilities to workers and communities."

The council recommended the following measures to check the growing merger trend:

- Require federal chartering of corporations with more than $1 billion in assets or sales.
- Require major oil companies to divest their holdings in other sources of energy and to be limited to only a single aspect of the oil industry. The major oil firms should be strictly prohibited from acquiring, by merger or otherwise, other companies with assets of more than $100 million each.
- The President and the Federal Reserve Board should use their existing powers to require the allocation of bank credit to productive uses and not for corporate mergers and acquisitions. This would protect small business, consumers, and the housing industry.
- Congressional enactment of legislation enabling consumers, business, and government victims of corporate price-fixing to recover triple damages, even if they were not direct customers of the price-fixing violations.
- To protect the economic rights of workers and their communities against plant closings and plant relocations, business firms relocating or shutting down a plant should be required to give early advance notice and to provide aid to affected workers and communities.

Berlin Wall Still Barrier To Freedom

Chicago—The AFL-CIO called on the United States government to use the occasion of the 20th anniversary of the construction of the Berlin Wall to characterize the structure for what it is: a continuing violation of human rights and a major obstacle to peace, security, justice, and cooperation in Europe.

"The wall must be demolished if there is to be lasting peace, security, justice and cooperation," the AFL-CIO Executive Council said. The council urged the government to raise the issue of the Berlin Wall's continued existence in discussions on the implementation of the 1975 Helsinki agreement.

"WE SHOULD make clear to the Soviet regime that the Berlin Wall dishonors the pledge made at Helsinki, and that the wall must be demolished," the council statement said. Construction of the wall by the East German Communist regime, under control of Soviet occupation forces, began 20 years ago this month.

In signing the Final Act of the Helsinki Conference on Security & Cooperation in Europe, the council observed. East Germany and the USSR solemnly undertook to "act in conformity with the purposes and principles of the Charter of the United Nations and with the Universal Declaration of Human Rights," and agreed to make it their aim to facilitate freer movement and contacts . . . among persons."

The presence of the wall can no more be reconciled with the Helsinki pledge than could the 1979 Soviet invasion of Afghanistan, the council said.

Describing the wall as a "monument to the inhumanity and to the economic and social failures of Communist dictatorships," the AFL-CIO pointed out that the barrier was built to prevent the mass flight of people trying to escape a regime which systematically denied its inhabitants fundamental human rights.

THE WALL was lengthened from Berlin to divide the German nation by bunkers, mines, dog blockades, and enough barbed wire to encircle the globe.

Despite these almost insurmountable obstacles, the council noted, people in East Germany have not stopped trying to escape. Hundreds have been killed or wounded trying to scale the wall, and thousands more dragged away before even reaching it.

"We realize that there is a strong tendency among the leaders of Western countries after 20 years to accept this situation, and no longer raise this issue," the council said.

"But we should not deceive ourselves. As long as Berlin and Germany are divided, peace in Europe is threatened. As long as Soviet rulers keep a city divided, denying freedom of movement for people they have encaged, no one should take seriously their talk of co-existence as 'detente.' "

Attacks on Black Unions In South Africa Denounced

Chicago—The AFL-CIO called on the Administration to protest the South African government's latest attacks on unions of black workers, and to urge the South African government to recognize and accept workers' basic trade union rights.

The Executive Council urged all other groups which support free trade union principles to register a similar protest over the continuing suppression of black workers' rights in South Africa.

Last February, the council noted, after decades of brutal suppression, the South African government claimed to be moving toward recognition of black trade unions. The events of the past few months, however, indicate that this was a false hope, the council said.

"There is no disguising the fact that black trade unions are a major target of government reprisals," the council observed. Fifty-seven trade unionists already have been arrested, it said, and many others are facing government pressure and intimidation.

Scare Tactics Assailed

Social Security Attacks Tied to Budget Motive

Chicago—The biggest danger facing the social security system is not its financial ills but the Administration's plans to slash benefits, the AFL-CIO Executive Council charged.

The council accused the Administration of "gross exaggeration" of the financial woes of the system "to convince the public that major cuts are necessary to assure adequate financing."

WORKERS PRESENTLY employed, particularly those counting on early retirement, will bear the brunt of the proposed cutbacks, the council emphasized.

The Administration is trying to conceal the fact that it is attempting to "balance the federal budget on the backs of the elderly," the council declared.

Including social security in the federal budget is "completely inappropriate," the council said, pointing out that "long-term social security benefit entitlements should not be influenced by year-to-year variations in the federal budget." The system's problems can be met without cutting benefits, the council asserted.

THE COUNCIL urged Congress to "honor its commitment to American workers—those still at work, as well as those who have retired."

"It is inconceivable," the council stressed, "that Congress would break that commitment after a 45-year record of responsible action on social security."

The Administration's proposed benefit cuts would chop early retirement benefits by 43 percent, disability benefits by one-third and the overall program by 21-23 percent.

Hardest hit, the council pointed out, will be early retirees, most of whom are forced to leave their jobs because they are laid-off or in poor health. The cut would reduce the maximum early retirement benefit below the poverty level for anyone retiring next year at age 62.

OTHER DESTRUCTIVE changes are proposed by the Administration, the council said, including postponement of the cost-of-living adjustments for all retirees and modification of the benefit formula so that all future retirees would get a 10 percent cut.

The Administration's plan would also restrict the disability program by basing eligibility solely on medical criteria, and it would apply the lower disability maximum family benefit to retirement and survivors' benefits. Also, children's benefits would be eliminated in early retirement cases and, benefits accrued to public workers from other employment would be denied.

The council commended the House of Representatives for its vote to block elimination of the social security minimum benefit as called for in the budget reconciliation bill. It urged the Senate to also act to rescind the cut.

Unless the cut is rescinded, some 3.1 million current beneficiaries will see their checks shrink. Among these are some of the nation's poorest retirees, the council said, including a "disproportionate" number of elderly women.

The AFL-CIO, which has supported the social security system since its beginning, has suggested alternatives to help solve the system's current financial problems, the council stressed.

For example, the Old Age & Survivor's Insurance fund's short-term financial difficulties could be handled by interfund borrowing—loans from other trust funds in the system now running surpluses.

The council recommended strengthening these short-term solutions with standby authority for borrowing from general funds. This would permit review of any changes in the system "in a calmer atmosphere free from the pressures of the budget-cutting mania which inhibits thoughtful, responsible legislation," the statement declared.

The AFL-CIO believes payroll taxes should be supplemented by general revenue funding as the "fairest and most feasible" way to cope with the system's financial strains and avoid future increases in the social security tax, the council pointed out. A first step, the council said, would be to finance half the cost of Medicare from general revenues.

THE COUNCIL'S statement made clear that while AFL-CIO unions have many retirees, "most union members are contributors to—not beneficiares of—the social security program."

There will not be a breach between beneficiaries and contributors over this issue, the council stressed, explaining "the elderly of today are our parents and grandparents. Social security allows them to retire with dignity and to avoid being a financial burden on their children. All of us will be senior citizens some day and all of us have a stake in making this retirement system as good as it can be and keeping it secure."



MEXICAN FEDERATION OF LABOR President Fidel Velasquez is greeted by AFL-CIO President Lane Kirkland at a luncheon during the Executive Council's meeting in Chicago. The visit of Velasquez was in response to a long-standing invitation and epitomized the constructive and friendly relations between the two federations and the workers of both countries.

Neglect, Hostility Threaten Basic Civil Rights Protection

Chicago—The AFL-CIO warned that the nation's basic civil rights protections are threatened by neglect or hostility from the Reagan Administration and reaffirmed labor's commitment to the effective administration and enforcement of those measures

The Executive Council noted that the Administration and its conservative supporters in Congress "have all but completed their effort to dismantle federal programs" that have given a measure of economic dignity to the jobless, the aged and the disadvantaged.

"THERE IS every indication that the next target will be some of the major federal civil rights laws enacted to enhance the economic, political and social rights of the victims of discrimination," the council said.

It stressed that the job of providing women and minorities with a full measure of equal opportunity is far from over.

"We recognize how much remains to be done by all of us," the council said, "and we reaffirm our commitment" to such measures as the Voting Rights Act, Title VII of the Civil Rights Act, the executive order designed to counter discrimination by government contractors, and "the major measure that must be added to our Constitution"—the Equal Rights Amendment.

"Passive reliance on promises of voluntary action has proved unavailing," the council statement observed. "The undeniable truth is that, standing alone, all the pledges and guarantees of equal opportunity are meaningless. Only aggressive action to open doors previously shut to women and minorities will work."

It reaffirmed the labor movement's support for positive programs of recruitment, hiring, training, upgrading, promotions and wage equalization to ensure that minorities and women gain equal access to jobs and equal treatment on the job.

In taking note of the AFL-CIO's centennial year, the council traced the record of the federation's support for equal rights dating back to Samuel Gompers and its vigorous efforts to win enactment of the major civil rights laws now on the nation's statute books. To carry those efforts forward, the council called specifically for:

- Prompt passage of the bill reported by the House Judiciary Committee to extend the Voting Rights Act.
- Rejection by Congress of proposals to limit or prohibit the courts and Justice Dept. from carrying out their constitutional obligations.
- Maintaining the Equal Employment Opportunity Commission's vigilant role through the presidential appointment of "strong and knowledgeable people" to policy-making positions on the commission and provision of sufficient staff and budget.
- Continuation and strong enforcement of the program to counter discrimination by federal contractors and an end to the "backsliding" evident in the Labor Dept.'s proposals to weaken and reduce the program.

'Backward' Philosophy of Government Hit

Chicago — The Reagan Administration has proclaimed a backward philosophy of government that favors private wealth at the expense of workers and the poor, the AFL-CIO Executive Council charged.

"The needs of complex 20th-Century societies cannot be met by 19th-Century political dogmas," the council declared in a statement on the role of government. It added:

"THE NOTION of an ever declining federal government, restricted to defense functions and monetary regulation, may have had a place in pre-industrial small-town America, but it is inappropriate to a society whose economy is dominated by ever larger corporations and conglomerates, which exists in an interdependent world economy, and which faces burgeoning problems of unemployment, urban blight, transportation, education, health and housing."

It was precisely because the so-called free market proved incapable of addressing such problems that the American people turned to the government, enlarging its role and looking to it as an instrument for the protection of rights and the promotion of social justice, the council stressed.

It cited such federal achievements as rural electrification, the railroad and interstate highway systems, public works, reforestation, soil conservation, the rescue of failing banks and the cushioning of the nation "against the cruelties of the business cycle." This progress, the council pointed out, benefitted not only the people, but private business as well.

THE COUNCIL also pointed to the federal government's role in providing jobs for the unemployed, striking down Jim Crow laws, guaranteeing voting rights for minorities, expanding educational opportunities, setting health and safety standards on the job, providing medical care for the needy, establishing social security for the elderly and creating a "minimal security net" for the victims of the free market.

"Thus, according to the Administration, did the government climb on the backs of the people," the council statement observed.

It said the Administration is now trying to persuade the people that all this was "a colossal historic mistake" and that they should turn once more to the very market forces that failed to meet their needs.

"To reduce the protective role of government while encouraging an increasing concentration of corporate power is not an exercise in expanding freedom," the council observed. "It is nothing more than a shift of power from democratically shaped institutions."

The council said the Administration is engaging in "regressive engineering" that would distribute the rewards upward and the burdens downward on the economic ladder "in the name of supply-side economics."

The common theme that runs through all the Administration's policies—economic, social and political—is "a bias in favor of private wealth, an indifference to workers and the poor, and a hostility to government efforts to protect their interests," the council declared.

"There is nothing new in this philosophy of government, and nothing to commend it to the labor movement or to the American people."

Pennsylvania House Seat To Remain Democratic

Labor-backed Joseph F. Smith was elected to the House from a Philadelphia district, and will be counted as a Democrat even though he ran as an independent with Republican endorsement.

Smith, a Democratic member of the state Senate, lost the Democratic primary to David B. Glancey last May, but easily won the general election.

He will replace Democrat Raymond E. Lederer, who resigned after his conviction for involvement in an Abscam case.

More Aid Asked For Viet Veterans

Chicago—The government should stop shortchanging Vietnam veterans and provide them with extra services suited to their special needs, the AFL-CIO Executive Council urged.

The problems facing men and women who served in Vietnam have been ignored "in an effort to erase from our minds" the war, the council said in a statement.

These difficulties, including higher than average unemployment, lack of job skills and health problems which grew out of their service experience should be faced. Vietnam veterans need extra job training and placement help, the council said, and they should be extended the education and housing assistance provided to veterans of other wars.

Facilities such as the storefront rehabilitation centers already in existence in many communities are particularly suited to these "forgotten" ex-GI's needs, the council pointed out.

Tilted Against Workers

CONGRESS, spurred and goaded by the Administration, is on a tax cutting spree for business and the wealthy and against workers that defies logic, precedent and fair play.

A combination of private greed, political expediency and trickle-down theories has produced a tax bill that will:

- Shift hundreds of billions of dollars from the paychecks and programs that sustain working Americans to the rich and the corporations.
- Add to the economic problems and social tensions that are the inevitable result of shoestring public budgets financed by inequitable tax structures.
- Assure a continuance of inflation and sky-high interest rates.

In fiscal year 1982 the Administration's measure amounts to a $36 billion drain of the treasury—by 1986 the annual loss will be $250 billion. Between now and 1986 over $730 billion in revenues will be lost and approximately half of that amount will go to business and the wealthiest 5 to 10 percent of the population.

THESE ARE FUNDS that should be channeled and directed to creating jobs; revitalizing and rebuilding the nation's cities, industries and distressed areas; meeting the needs of the poor, the old and disadvantaged; and providing an effective and fair reduction in the tax burdens of moderate- and middle-income Americans who are paying far more than their fair share.

Business taxes will be slashed by over $170 billion between now and 1986. As a result, the corporate income tax by 1986 will account for only 14 percent of federal income tax receipts compared to 21 percent currently and only 8 percent of the total budget compared to 12 percent currently.

Effective corporate income tax rates will plunge from current levels of approximately 30 percent down to 14 percent.

The basic individual and business income tax cuts, however, do not tell the whole story of the massive shift that is being undertaken in the responsibility for financing the nation. Congress, again with the Administration's blessing, has included an array of other costly and unfair measures which widen the tax avoidance opportunities for the wealthy.

AMONG THE most glaring are provisions which would:

- Nearly eliminate the federal estate and gift tax.
- Provide a variety of so-called "savings" incentives which benefit higher income individuals, completely exclude those who are unable to save, contribute nothing to the level of funds available for productive investment and heighten the competition for available funds.
- Provide even more tax preferences to oil producers, oil royalty owners and corporate executives.

The AFL-CIO will continue to press for a tax structure that is based upon ability to pay and that assures a public sector adequately equipped to deal with the economic, social and defense needs of the nation.

—From an AFL-CIO Executive Council statement adopted Aug. 3, 1981, in Chicago.

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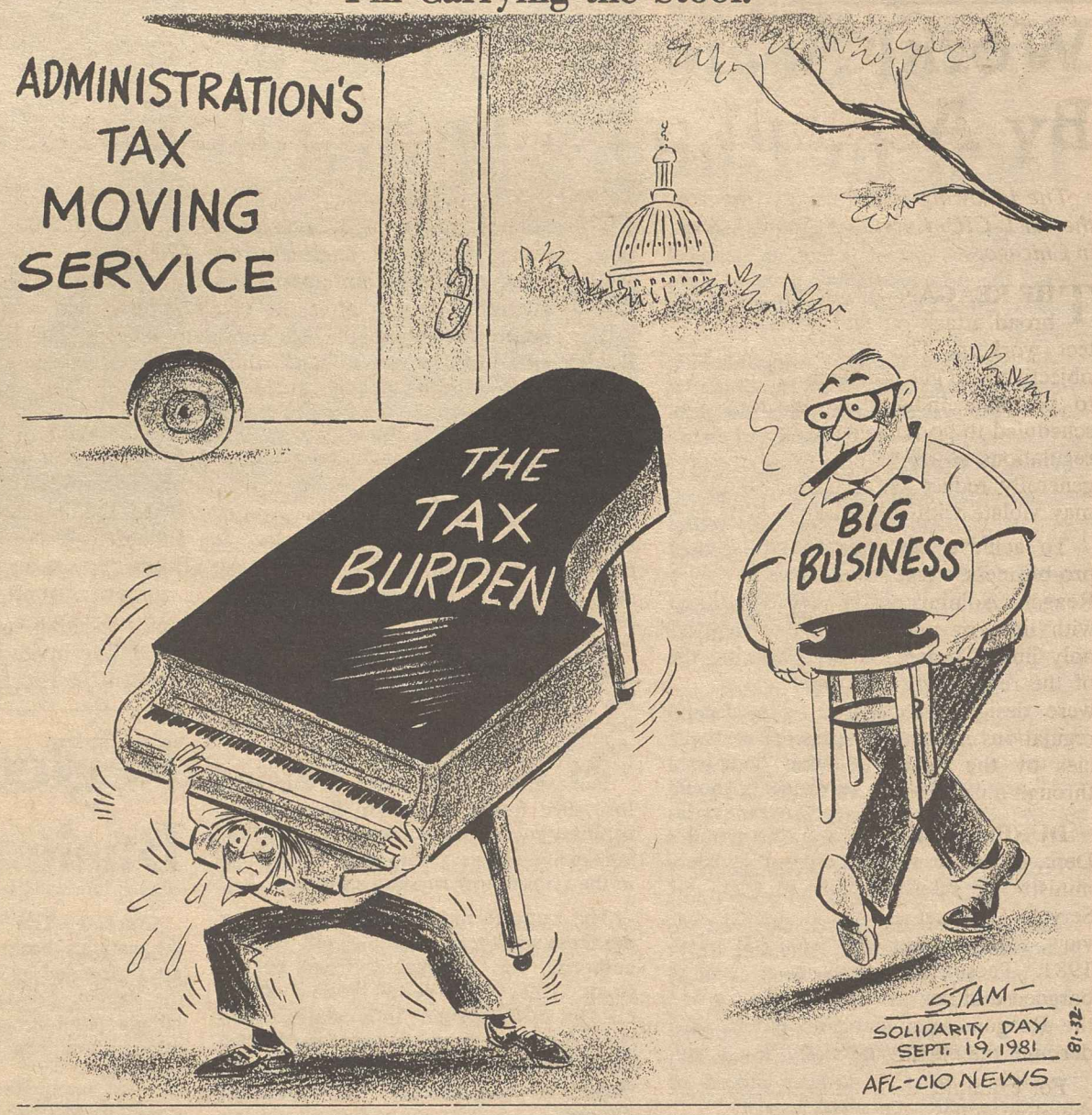
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'I'm Carrying the Stool!'



Cotton Dust Ruling

Rebuff to 'Cost-Effective' Claim Denies Industry License to Kill

By Gus Tyler

WORKERS IN COTTON mills should not be exposed to the perils of cotton dust. That's what a 1970 law clearly intended.

But some employers found this to be unduly onerous. So they—together with the Reagan Administration—have been pushing the idea that the law should not be applied where it is not "cost effective." In other words, if it is too expensive, it should be exempt.

By a vote of 5-3, the Supreme Court ruled out the "cost-effective" argument. As Justice William J. Brennan put it: "Congress itself defines the basic relationship between costs and benefits by placing the 'benefit' of worker health above all other considerations, save those making attainment of this 'benefit' unachievable."

THIS FORTHRIGHT decision has shocked many in the business community. "How could the court be so insensitive to the economic factor, to the basic need to calculate cost effectiveness?" They scratch their heads in disbelief over the unrealistic attitude of the justices.

Yet, what would happen if we applied the cost-effective logic to all our basic laws? For instance:

"Thou shalt not kill unless it is cost effective."

It's not difficult to imagine an imaginary case. I am threatened with death by someone. I proceed to surround myself with an expensive bodyguard; I buy a costly armored car to convey my mortal parts; I employ detectives. The bill keeps running up.

I FIND OUT that for a much smaller sum I can contract to kill the man who menaces me. So after my accountant has tallied the sheets, I conclude that the "cost-effective" thing for me to do is to hire a hit man.

I go to the courts charged with murder. My defense is clear. I did what was cost effective. After all, I should not be expected to heed the dictum that "thou shalt not kill" if to follow that rule would be cost ineffective.

The analogy between the commandment on killing and the law on cotton dust is really not so far-fetched. When Congress laid down the law on preventing the poisoning of the respiratory system, it was doing little more than implementing the order not to kill.

Cotton dust kills—perhaps not always and not instantaneously. But it does kill many eventually.

Congress was so convinced. So it moved to stop the killing. In effect, it wrote a law that said: "Thou shalt not kill with a weapon called dust."

It did not say that thou shalt not kill unless it is cheaper to kill. To do so, would be like saying "thou shalt not commit adultery unless you enjoy it."

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A Challenge for Labor To Renew Its Mandate

The mandate of the trade union movement imposes special obligations. Each of us is bound by a sacred trust to represent faithfully the interests of our members, and, by natural and logical extension, the interests of the working people of America. That is our mandate.

It was built and tested over the century of struggle and achievement we celebrate this year.

Now in our centennial year, that mandate is challenged. The challenge comes from an Administration which seeks to conceal the radical character of its program by claiming the support of those who would suffer the most from its execution.

I do not believe we can quietly turn our backs and walk away from this challenge and still be true to our mandate. Our job, knowing what we know, is to resist that injustice and to prevent the damage—not to wait until disaster strikes in the hope of turning workers' misery to later political advantage.

It is time to call up the ranks. It is time to muster our friends and allies. It is time to draw upon our ultimate source of strength and to call upon those in whose name we speak to come forth in a display of solidarity for a humane and fair America.

It is time to renew our mandate.

—AFL-CIO President Lane Kirkland in an address to the General Board, Aug. 6, 1981, in Chicago.

Wage Standards, Job Safety

Worker Safeguards Threatened By Assault on Key Regulations

The following is from a statement adopted by the AFL-CIO Executive Council Aug. 3, 1981, in Chicago.

THE REAGAN Administration is engaged in a broad attack on regulations designed to protect workers. The attack is all-inclusive. The objective is to gut standards already on the books; to postpone indefinitely standards which were scheduled to go into effect; to reinterpret existing regulations so as to narrow their scope, and to generally reduce enforcement so that employers may violate with impunity.

To achieve the ends to which it aspires—a pro-business, regulation-free environment—the Reagan Administration has appointed officials with little or no knowledge or experience and only limited interest in determining the purpose of the regulations and the situations which they were designed to correct. Decision-making on regulations is usurped from the responsible agencies by the Office of Management & Budget through a new Executive Order (12291).

DURING THE YEARS 1978 and 1979, the Dept. of Labor made a careful review of the administrative rules covering the Davis-Bacon and Service Contract Acts. On the basis of this review, revised regulations were issued in January 1981. These regulations have now been embargoed and new changes under consideration by the Reagan Administration would seriously undermine the effectiveness of these statutes.

For example, the Administration is considering the elimination of the Davis-Bacon reporting requirement essential in the determination of compliance. Further, the Administration is proposing a new method of establishing prevailing wages under Davis-Bacon which would no longer protect prevailing wage rates and would—instead—permit employers to compete for contracts on the basis of cut-rate wages and cut-rate classifications.

Under the Service Contract Act half of all contracts currently covered would be excluded from coverage by changing the definition from contracts substantially for services to principally for service.

THE STANDARDS for labor protection incorporated in the Urban Mass Transit Act are also under attack. These protections have assured workers in the mass transit industry that their basic wages, working conditions and job security would be maintained.

The Secretary of Labor has been sending mixed signals as to his intentions under the Fair Labor Standards Act. He has led strike force raids on sweatshops in the apparel industry at the same time as he has proposed revoking the regulations prohibiting industrial homework.

He seems to have been totally unaware of the horrors of industrial homework—substandard wages, child labor, long hours of work and unsafe and unhealthy working conditions.

He proposes stricter penalties for noncompliance with the provisions of the Fair Labor Standards Act at the same time as he reduces the number of compliance officers.

He indicates that he will postpone any recommendation with repsect to a subminimum wage for youth until after the Minimum Wage Study Commission completes its work. However, within a month after the commission issued its report rejecting a youth subminimum, he stated that he favors a "youth differential" or special subminimum for disadvantaged teenagers.

He has apparently decided to maintain a "freeze" on amended regulation 541 issued as a Final Rule by the Dept. of Labor on Jan. 13. This regulation would have increased the minimum salary tests necessary for an employee to be considered a bona fide executive, administrative or professional employee for exemption from the overtime pay requirements of the Fair Labor Standards Act.

The present salary tests are so low as to be meaningless for the purpose for which they were intended. Under the present law a nonexempt employee earning the minimum wage would be paid $174 a week for a 48-hour week. An exempt executive or administrative employee working the same number of hours would meet the salary test for exemption if paid only $155 a week.

IN THE AREA OF occupational safety and health, the Administration has moved swiftly to wipe out major gains in worker protection of the past four years. Attacks have been made on standards for cotton dust, lead, hazards identification, walkaround compensation, hearing conservation, cancer policy, and access to medical records. These regulations have been postponed illegally, targeted for weakening or revoked entirely.

The Administration's attempts to roll back worker protections under the guise of a cost-benefit test have been slowed down by recent Supreme Court decisions which upheld OSHA's cotton dust and lead standards, as well as the AFL-CIO position that cost-benefit analysis was prohibited by the OSHA legislation.

But OSHA has announced it will merely substitute "cost-effectiveness" analysis for "cost-benefit" analysis in continued efforts to weaken these and other rules.

IN ADDITION to weakening standards in the area of occupational safety and health, enforcement will be watered down. For example, in states where there is dual federal and state jurisdiction, federal compliance activities will end Oct. 1, 1981. Decisions made by the previous Administration to withdraw inadequate state plans in Indiana and Virginia have been reversed though the glaring deficiencies in these programs still exist. Also, drastic cuts are being made in OSHA enforcement.

The AFL-CIO will continue to monitor the actions of this Administration as they affect worker standards. If the officials charged with the enforcement of labor laws continue to undermine them, we will bring appropriate legal action to enforce the laws that were established to protect basic worker standards.

Washington Window

By Press Associates, Inc.

HIGH ON THE LIST of Reagan Administration bugbears is government regulation—"deregulation" being one of the pillars of the Administration's program for "economic recovery."

The Administration, like big industry, has blamed regulation of the workplace and environment for a multitude of evils: excessive costs to business, inflation and unemployment increases, productivity declines, slowdowns in capital investment, and more.

Now the Council on Economic Priorities has produced a study, "Occupational Safety and Health in the Chemical Industry," by Ruth Ruttenberg and Randall Hudgins, which begins to dispel some of the rhetorical accusations concerning Occupational Safety & Health Administration regulations and enforcement activities.

Ruttenberg and Hudgins, both economic analysts, studied data from OSHA, primary chemical producers, the Commerce Dept. and Federal Reserve Reports for the period 1972-1979. They especially focused on the eight largest chemical companies: DuPont, Dow, Union Carbide, Monsanto, W. R. Grace, Allied Chemical, American Cyanamid, and Celanese.

THE STUDY FOUND that over the eight-year period, the chemical industry performed well. Total industry sales increased 165 percent. After-tax profit for the eight largest companies increased 160 percent.

Significantly, output per production worker manhour increased from 7.4 percent per year in the pre-OSHA period, 1966-1971, to 7.8 percent in the 1971-1976 post-OSHA period.

The chemical industry spent some $1.4 billion on health and safety over the eight-year period, according to the study. This works out to about 0.16 percent of 1979 sales or an average of only 2.9 percent of total capital expenditures for new plant and equipment over the period.

The annual cost of health and safety per worker was only $140, according to the study.

The report estimates that the $140 per worker annual investment produced a 23 percent decline in occupational injury and illness between 1972 and 1979.

The authors also pointed out that the chemical companies had spent millions of dollars in legal fees fighting OSHA regulations and enforcement activities. The companies did this even though the average penalty for a chemical company over the eight-year period amounted to only $74.79 per citation.

"Fees to engineers to abate hazards rather than fees to lawyers to abate already low penalties might be a more cost-effective way to promote safety and health," the authors suggest.

THE STUDY addressed other byproducts of regulation, such as the fact that improved safety and health reduces the cost of workers' compensation insurance for the industry and prevents major losses of plant and equipment caused by incidents such as fire and explosion.

The Administration's policy requiring that all federal regulations be subjected to so-called "cost-benefit" analysis has been attacked by labor and others as having no moral basis. Critics argue that the cost of human suffering and death cannot be equated in dollars and cents.

The OSHA law has the principle of feasibility written into it. According to the act and the federal courts, a health and safety regulation must be technologically possible and the regulated industry must be able reasonably to afford compliance.

Recognizing these feasibility concepts, OSHA through the years allowed industries generous time periods to comply with new standards.

The Ruttenberg-Hudgins study on the chemical industry indicates that OSHA regulations are economically feasible and they are not the economic ogres industry and the Administration have made them out to be.

Seidman Scores Scare Talk

Attacks on Social Security Tied To Reagan's Political Motives

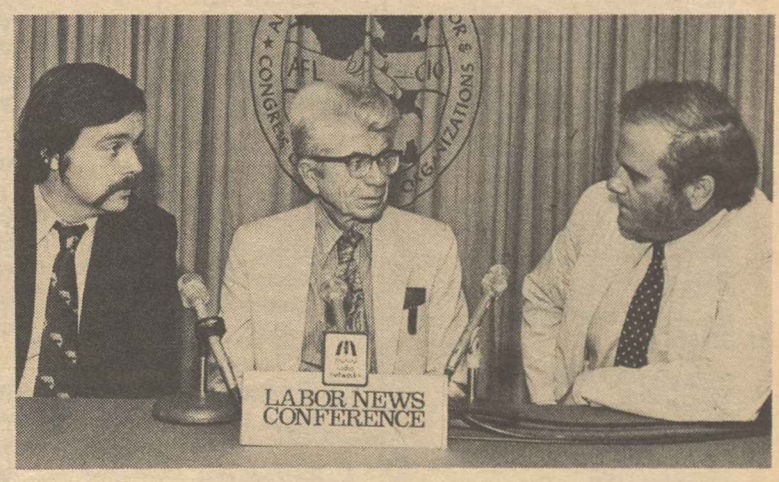
THE ADMINISTRATION'S drive to slash social security benefits is based on two political considerations that have nothing to do with any fiscal problems or structural weaknesses in the system, Director Bert Seidman of the AFL-CIO Dept. of Social Security said.

The first, Seidman said, is that the Administration really believes that the social security program should be "smaller and less effective." The second, he said, is that it wants to build up, through benefit cuts, "a huge surplus" in social security funds that can be used to balance the budget.

Questioned by reporters on the network radio interview Labor News Conference, Seidman stressed that despite scary talk that social security is on the brink of collapse, it faces no unmanageable problems. He said that current shortfalls, caused by wages rising less rapidly than prices, can be met merely by borrowing among the three separate social security funds without going outside the system or reducing benefits.

AS FOR LONG-TERM projections that a rising number of retirees in relation to the number of active workers will strain the system after the year 2010, Seidman said, "that isn't the whole story."

"What counts," he declared, "is the total number of dependents. While there will be more people over 65," he pointed out, "the 'total ratio' won't be any higher than it is now and somewhat lower than it was 10 and 20 years ago."



BENEFIT SLASHES in social security pursued by the Reagan Administration are based on political motivations rather than efforts to resolve funding problems, Director Bert Seidman, center, of the AFL-CIO Dept. of Social Security charged. He was questioned on Labor News Conference by Calvin Zon, left, of Press Associates, Inc., and Lance Gay of the Washington Star. The program is broadcast weekly on Mutual radio.

Key House Rollcall on Tax Cut Issue

On the AFL-CIO's ledger, the key House vote on the tax bill was the 288-144 rejection of a labor-supported substitute that would have been more equitable, less inflationary and would have slashed about $400 billion of the most shameful giveaways to the wealthy from the tax bill.

Right votes (R) for the amendment sponsored by Rep. Morris K. Udall (D-Ariz.) were cast by 139 Democrats and 5 Republicans. Voting wrong (W) were 102 Democrats and 186 Republicans.

Numerals show congressional districts. A—absent, P—present but not voting.

ALABAMA
1. Edwards (R) W
2. Dickinson (R) W
3. Nichols (D) R
4. Bevill (D) R
5. Flippo (D) R
6. Smith (R) W
7. Shelby (D) W

ALASKA
AL Young (R) W

ARIZONA
1. Rhodes (R) W
2. Udall (D) R
3. Stump (D) W
4. Rudd (R) W

ARKANSAS
1. Alexander (D) R
2. Bethune (R) W
3. Hammerschmidt (R) W
4. Anthony (D) W

CALIFORNIA
1. Chappie (R) W
2. Clausen (R) W
3. Matsui (D) W
4. Fazio (D) R
5. Burton, John (D) R
6. Burton, Phillip (D) R
7. Miller (D) R
8. Dellums (D) R
9. Stark (D) R
10. Edwards (D) R
11. Lantos (D) W
12. McCloskey (R) W
13. Mineta (D) W
14. Shumway (R) W
15. Coelho (D) W
16. Panetta (D) R
17. Pashayan (R) W
18. Thomas (R) W
19. Lagomarsino (R) W
20. Goldwater (R) W
21. Fiedler (R) W
22. Moorhead (R) W
23. Beilenson (D) R
24. Waxman (D) R
25. Roybal (D) R
26. Rousselot (R) W
27. Dornan (R) W
28. Dixon (D) R
29. Hawkins (D) R
30. Danielson (D) R
31. Dymally (D) R
32. Anderson (D) R
33. Grisham (R) W
34. Lungren (R) W
35. Dreier (R) W
36. Brown (D) R
37. Lewis (R) W
38. Patterson (D) R
39. Dannemeyer (R) W
40. Badham (R) W
41. Lowery (R) W
42. Hunter (R) W
43. Burgener (R) W

COLORADO
1. Schroeder (D) W
2. Wirth (D) W
3. Kogovsek (D) R
4. Brown (R) W
5. Kramer (R) W

CONNECTICUT
1. Cotter (D) A
2. Gejdenson (D) R
3. DeNardis (R) R
4. McKinney (R) W
5. Ratchford (D) R
6. Moffett (D) R

DELAWARE
AL Evans (R) W

FLORIDA
1. Hutto (D) W
2. Fuqua (D) W
3. Bennett (D) R
4. Chappell (D) W
5. McCollum (R) W
6. Young (R) W
7. Gibbons (D) W
8. Ireland (D) W
9. Nelson (D) W
10. Bafalis (R) W
11. Mica (D) R
12. Shaw (R) W
13. Lehman (D) R
14. Pepper (D) R
15. Fascell (D) R

GEORGIA
1. Ginn (D) W
2. Hatcher (D) W
3. Brinkley (D) W
4. Levitas (D) W
5. Fowler (D) W
6. Gingrich (R) W
7. McDonald (D) W
8. Evans (D) W
9. Jenkins (D) W
10. Barnard (D) W

HAWAII
1. Heftel (D) W
2. Akaka (D) R

IDAHO
1. Craig (R) W
2. Hansen (R) W

ILLINOIS
1. Washington (D) R
2. Savage (D) P
3. Russo (D) W
4. Derwinski (R) W
5. Fary (D) W
6. Hyde (R) W
7. Collins (D) R
8. Rostenkowski (D) W
9. Yates (D) R
10. Porter (R) W
11. Annunzio (D) W
12. Crane, Philip (R) W
13. McClory (R) W
14. Erlenborn (R) W
15. Corcoran (R) W
16. Martin (R) W
17. O'Brien (R) W
18. Michel (R) W
19. Railsback (R) W
20. Findley (R) W
21. Madigan (R) W
22. Crane, Dan (R) W
23. Price (D) W
24. Simon (D) W

INDIANA
1. Benjamin (D) R
2. Fithian (D) R
3. Hiler (R) W
4. Coats (R) W
5. Hillis (R) W
6. Evans (D) R
7. Myers (R) W
8. Deckard (R) W
9. Hamilton (D) R
10. Sharp (D) R
11. Jacobs (D) R

IOWA
1. Leach (R) W
2. Tauke (R) W
3. Evans (R) W
4. Smith (D) W
5. Harkin (D) R
6. Bedell (D) R

KANSAS
1. Roberts (R) W
2. Jeffries (R) W
3. Winn (R) W
4. Glickman (D) W
5. Whittaker (R) W

KENTUCKY
1. Hubbard (D) W
2. Natcher (D) R
3. Mazzoli (D) W
4. Snyder (R) W
5. Rogers (R) W
6. Hopkins (R) W
7. Perkins (D) R

LOUISIANA
1. Livingston (R) W
2. Boggs (D) W
3. Tauzin (D) W
4. Roemer (D) W
5. Huckaby (D) W
6. Moore (R) W
7. Breaux (D) W
8. Long (D) W

MAINE
1. Emery (R) W
2. Snowe (R) W

MARYLAND
1. Dyson (D) R
2. Long (D) R
3. Mikulski (D) R
4. Holt (R) W
5. Hoyer (D) R
6. Byron (D) W
7. Mitchell (D) R
8. Barnes (D) R

MASSACHUSETTS
1. Conte (R) R
2. Boland (D) R
3. Early (D) R
4. Frank (D) R
5. Shannon (D) W
6. Mavroules (D) R
7. Markey (D) R
8. O'Neill (D) Speaker
9. Moakley (D) R
10. Heckler (R) W
11. Donnelly (D) R
12. Studds (D) R

MICHIGAN
1. Conyers (D) R
2. Pursell (R) W
3. Wolpe (D) R
4. Siljander (R) W
5. Sawyer (R) W
6. Dunn (R) R
7. Kildee (D) R
8. Traxler (D) W
9. Vander Jagt (R) W
10. Albosta (D) W
11. Davis (R) W
12. Bonior (D) R
13. Crockett (D) R
14. Hertel (D) R
15. Ford (D) R
16. Dingell (D) W
17. Brodhead (D) R
18. Blanchard (D) R
19. Broomfield (R) W

MINNESOTA
1. Erdahl (R) W
2. Hagedorn (R) W
3. Frenzel (R) W
4. Vento (D) R
5. Sabo (D) R
6. Weber (R) W
7. Stangeland (R) W
8. Oberstar (D) R

MISSISSIPPI
1. Whitten (D) R
2. Bowen (D) W
3. Montgomery (D) W
4. Dowdy (D) W
5. Lott (R) W

MISSOURI
1. Clay (D) R
2. Young (D) W
3. Gephardt (D) R
4. Skelton (D) W
5. Bolling (D) R
6. Coleman (R) W
7. Taylor (R) W
8. Bailey (R) W
9. Volkmer (D) W
10. Emerson (R) W

MONTANA
1. Williams (D) R
2. Marlenee (R) W

NEBRASKA
1. Bereuter (R) W
2. Daub (R) W
3. Smith (R) W

NEVADA
AL Santini (D) W

NEW HAMPSHIRE
1. D'Amours (D) R
2. Gregg (R) W

NEW JERSEY
1. Florio (D) R
2. Hughes (D) R
3. Howard (D) R
4. Smith (R) W
5. Fenwick (R) W
6. Forsythe (R) W
7. Roukema (R) W
8. Roe (D) R
9. Hollenbeck (R) R
10. Rodino (D) R
11. Minish (D) R
12. Rinaldo (R) W
13. Courter (R) W
14. Guarini (D) R
15. Dwyer (D) R

NEW MEXICO
1. Lujan (R) W
2. Skeen (R) W

NEW YORK
1. Carney (R) W
2. Downey (D) R
3. Carman (R) W
4. Lent (R) W
5. McGrath (R) W
6. LeBoutillier (R) W
7. Addabbo (D) W
8. Rosenthal (D) R
9. Ferraro (D) R
10. Biaggi (D) W
11. Scheuer (D) R
12. Chisholm (D) R
13. Solarz (D) R
14. Richmond (D) R
15. Zeferetti (D) R
16. Schumer (D) R
17. Molinari (R) W
18. Green (R) W
19. Rangel (D) R
20. Weiss (D) R
21. Garcia (D) R
22. Bingham (D) R
23. Peyser (D) R
24. Ottinger (D) R
25. Fish (R) W
26. Gilman (R) W
27. McHugh (D) R
28. Stratton (D) W
29. Solomon (R) W
30. Martin (R) W
31. Mitchell (R) W
32. Wortley (R) W
33. Lee (R) W
34. Horton (R) W
35. Conable (R) W
36. LaFalce (D) R
37. Nowak (D) W
38. Kemp (R) W
39. Lundine (D) R

NORTH CAROLINA
1. Jones (D) W
2. Fountain (D) R
3. Whitley (D) R
4. Andrews (D) R
5. Neal (D) R
6. Johnston (R) W
7. Rose (D) R
8. Hefner (D) R
9. Martin (R) W
10. Broyhill (R) W
11. Hendon (R) W

NORTH DAKOTA
AL Dorgan (D) W

OHIO
1. Gradison (R) W
2. Luken (D) W
3. Hall (D) W
4. Oxley (R) W
5. Latta (R) W
6. McEwen (R) W
7. Brown (R) W
8. Kindness (R) W
9. Weber (R) W
10. Miller (R) W
11. Stanton (R) W
12. Shamansky (D) R
13. Pease (D) R
14. Seiberling (D) R
15. Wylie (R) W
16. Regula (R) W
17. Ashbrook (R) W
18. Applegate (D) W
19. Williams (R) W
20. Oakar (D) R
21. Stokes (D) R
22. Eckart (D) R
23. Mottl (D) R

OKLAHOMA
1. Jones (D) W
2. Synar (D) W
3. Watkins (D) W
4. McCurdy (D) W
5. Edwards (R) W
6. English (D) W

OREGON
1. AuCoin (D) W
2. Smith (R) W
3. Wyden (D) R
4. Weaver (D) R

PENNSYLVANIA
1. Foglietta (D) R
2. Gray (D) R
3. Smith (D) R
4. Dougherty (R) W
5. Schulze (R) W
6. Yatron (D) W
7. Edgar (D) R
8. Coyne, James (R) W
9. Shuster (R) W
10. McDade (R) W
11. Nelligan (R) W
12. Murtha (D) R
13. Coughlin (R) W
14. Coyne, William (D) R
15. Ritter (R) W
16. Walker (R) W
17. Ertel (D) R
18. Walgren (D) W
19. Goodling (R) W
20. Gaydos (D) W
21. Bailey (D) W
22. Murphy (D) W
23. Clinger (R) W
24. Marks (R) W
25. Atkinson (D) W

RHODE ISLAND
1. St Germain (D) W
2. Schneider (R) W

SOUTH CAROLINA
1. Hartnett (R) W
2. Spence (R) W
3. Derrick (D) W
4. Campbell (R) W
5. Holland (D) W
6. Napier (R) W

SOUTH DAKOTA
1. Daschle (D) W
2. Roberts (R) W

TENNESSEE
1. Quillen (R) W
2. Duncan (R) W
3. Bouquard (D) W
4. Gore (D) R
5. Boner (D) W
6. Beard (R) W
7. Jones (D) W
8. Ford (D) R

TEXAS
1. Hall, Sam (D) W
2. Wilson (D) W
3. Collins (R) W
4. Hall, Ralph (D) W
5. Mattox (D) W
6. Gramm (D) W
7. Archer (R) W
8. Fields (R) W
9. Brooks (D) W
10. Pickle (D) W
11. Leath (D) W
12. Wright (D) W
13. Hightower (D) W
14. Patman (D) W
15. de la Garza (D) R
16. White (D) W
17. Stenholm (D) W
18. Leland (D) R
19. Hance (D) W
20. Gonzalez (D) R
21. Loeffler (R) W
22. Paul (R) W
23. Kazen (D) W
24. Frost (D) W

UTAH
1. Hansen (R) W
2. Marriott (R) W

VERMONT
AL Jeffords (R) R

VIRGINIA
1. Trible (R) W
2. Whitehurst (R) W
3. Bliley (R) W
4. Daniel, Robert (R) W
5. Daniel, Dan (D) W
6. Butler (R) W
7. Robinson (R) W
8. Parris (R) W
9. Wampler (R) W
10. Wolf (R) W

WASHINGTON
1. Pritchard (R) W
2. Swift (D) R
3. Bonker (D) R
4. Morrison (R) W
5. Foley (D) W
6. Dicks (D) W
7. Lowry (D) R

WEST VIRGINIA
1. Mollohan (D) W
2. Benedict (R) W
3. Staton (R) W
4. Rahall (D) W

WISCONSIN
1. Aspin (D) R
2. Kastenmeier (D) R
3. Gunderson (R) W
4. Zablocki (D) R
5. Reuss (D) R
6. Petri (R) W
7. Obey (D) R
8. Roth (R) W
9. Sensenbrenner (R) W

WYOMING
AL Cheney (R) W

'Guest Worker' Plan Hit

Employer Curbs Sought In Immigration Proposal

Chicago—The key to controlling illegal immigration is stiff penalties against employers who hire illegal aliens, backed up by a secure identification system, the AFL-CIO Executive Council said.

Its statement on immigration reform stressed that U.S. immigration policy is and has been in "disarray," and urged Congress to provide "sound solutions" to the social, political and economic problems involved.

The Administration's recently released proposals for immigration reform provide a "basis for action," the council said, but the AFL-CIO is "deeply concerned" by shortcomings in the program.

IT SHARPLY criticized the proposal to bring up to 50,000 Mexican "guest workers" into the United States each year as a threat to U.S. labor standards.

The council called for a "fair" amnesty program for illegal immigrants already part of American communities, including "compassionate regard" for families.

The AFL-CIO is opposed to the Administration's proposed "guest worker" program and to its suggested revision of the H-2 temporary worker program. Both would undermine U.S. working conditions, the council said.

THE LABOR movement would support the concept of expanded legal immigration, the statement emphasized, after illegal immigration is controlled and U.S. unemployment problems are cured.

It pledged that the AFL-CIO will "take an active role in the effort to pass constructive legislation."

Among the shortcomings in the Administration's policy cited by the council is the proposal for mild civil sanctions, primarily fines, against employers who knowingly hire illegal aliens.

The council called for a sharper system of sanctions against employers "including injunctions backed by criminal contempt for repeat violators.

THE BASIS for such a system is counterfeit-proof identification, such as a secure social security card, the council said. The Administration's program would permit employers to request as identification documents such as birth certificates and drivers' licenses.

The Administration's plan for penalties "relies on documents easily counterfeited and freely available for sale," the council pointed out. It said the proposed sanctions "will not even be a minor inconvenience to those who hire illegal workers."

In its statement, the council praised the efforts of Immigration & Naturalization Service employees to call attention through their union to the need for improved border patrols and interior enforcement. Such control and enforcement require additional funding and staffing for INS, the council noted.

The AFL-CIO supports a "fair and generous" program to legalize the status of illegal aliens who have become part of their communities, providing it is tied to programs to cut further illegal immigration.

IN ADDITION, the statement said, conditions with "compassionate regard" for families should be set "with a minimum of formality to make citizenship possible for individuals who presently have a strong attachment to this country while not encouraging illegal immigration in the future."

The council expressed "serious reservations" about portions of the Administration's amnesty proposal. Certain "preconditions" for legalization that would apply to illegal aliens but not to Cuban or Haitian refugees are unfair and wrong, the council stressed.

The total 15-year waiting period for citizenship, the denial of reunification of families, the demand for payment of taxes "without the right to earned benefits accorded other taxpayers such as unemployment compensation," and the requirement of proficiency in English "are so harsh as to belie the very concept of amnesty," the statement asserted.

THE AFL-CIO is against any program that would permit "importation of foreign labor to undercut U.S. wages and working conditions," the council said, scoring the Administration's proposal to allow up to 50,000 Mexican "guest workers" into the United States annually.

Such a program will worsen unemployment, the council warned, and will undermine "the already low level of wages in those industries that are most likely to hire such temporary workers." Women and minority workers are most likely to feel the job losses and income cuts, the council pointed out.

The council opposed the suggested expansion of the so-called H-2 temporary worker program through revision of its certification requirements. Along with the guest worker program, and the proposal to increase legal entries from Mexico and Canada to 40,000 a year, immigration would swell to some 100,000 people, "far more than present conditions justify."

The AFL-CIO supports expanded legal immigration, the council emphasized, "over the long run and after illegal immigration is controlled. Unemployment problems must be cured first, the council said, then we must "absorb into our society" the millions of illegal immigrants and refugees already in the United States.

The council urged Congress in its consideration of the problems of illegal immigration to maintain the government's authority "to continue its historic policy of providing refuge to the victims of political oppression."

Richard Kilroy Elected to Head Railway Clerks

The executive council of the Railway & Airline Clerks unanimously elected Richard I. Kilroy as president to fill the unexpired term of Fred J. Kroll, who died July 30 of leukemia. Kilroy has been a BRAC vice president since 1973.

BRAC council members also elected Al Archual, general chairman of the union's Conrail system board in Philadelphia, to take over the vice presidency vacated by Kilroy. Both terms of office run through Aug. 31, 1982.

Kilroy, 54, began his career as a block operator with the Pennsylvania Railroad in 1951 as a member of the Railroad Telegraphers. He served as a local chairman and as system chairman on the Pennsylvania.

He became a vice president of the union, which was renamed the Transportation Communication Employees, in 1968. After the union merged with BRAC the following year, Kilroy became a division vice president. He was elected an international vice president four years later.



RICHARD I. KILROY



AT HOUSE HEARINGS, a Government Employees delegation protests Administration plans to disperse the National Institute for Occupational Safety & Health to Atlanta and Cincinnati. AFGE President Kenneth Blaylock is joined at the witness table by Darlene Christian and Joseph Cook, officers of the AFGE local representing NIOSH employees, and Legislative Rep. Terry Rogers, right.

Labor Scores Planned Shift Of NIOSH from Washington

A scheduled transfer of the National Institute for Occupational Safety & Health from the Washington, D.C., area to Atlanta and Cincinnati is a "bureaucratic hijacking" that will weaken its usefulness, the AFL-CIO charged at House hearings.

Safety & Health Director George H. R. Taylor urged an Education & Labor subcommittee to do "all in its power" to block the move, which he said will slow decision making, substantially increase travel costs and flout the intent of Congress.

NIOSH, which is a part of the Dept. of Health & Human Services, is supposed to be the industrial health twin of the Labor Dept.'s Occupational Safety & Health Administration (OSHA). But it is at a lower level in the department hierarchy. While OSHA is headed by an assistant secretary of labor, NIOSH comes under the Centers for Disease Control, which are headquartered in Atlanta.

Taylor asked the subcommittee to consider legislation that would move NIOSH out of the Centers for Disease Control, declaring that the agency's experience bears out labor's belief that the placement of NIOSH within the CDC "flouts" the intent of the law.

Taylor noted that past proposals to move NIOSH out of Washington had drawn strong opposition from NIOSH directors, congressional committees, and the trade union movement.

HHS Sec. Richard S. Schweiker announced the plan to transfer NIOSH to Atlanta and Cincinnati after he had fired NIOSH Director Anthony Robbins at the insistence of the U.S. Chamber of Commerce.

The new NIOSH director, Dr. J. Donald Millar, comes from the Atlanta-based Centers for Disease Control, Taylor pointed out.

When the announcement of the move was made last month, AFL-CIO President Lane Kirkland protested that the change would subordinate the mission of protecting workers' health and safety and cause it to lose experienced and needed staff members who do not intend to make the move. He urged HHS Sec. Richard S. Schweiker to reconsider.

TAYLOR TOLD the House panel that the AFL-CIO has never received a reply to its protest.

Government Employees President Kenneth T. Blaylock and officers of the AFGE local representing Health & Human Services Dept. employees also testified against the dispersal of NIOSH.

"NIOSH is mandated by statute to work closely with the Mine Safety & Health Administration and OSHA," Blaylock stressed. Relocating the agency would largely "put it out of action in the occupational safety and health field," he charged.

Council Outlines Safeguards For 'Short-Time' Jobless Aid

Chicago—The concept of "short-time" unemployment compensation for workers on reduced workweeks during economic downturns is, on balance, a worthwhile approach as long as appropriate safeguards are maintained, the AFL-CIO Executive Council said.

The arrangement permits workers to draw jobless benefits for the working time they forego in short workweeks instituted to avoid layoffs. Thus, it amounts to work sharing with a partial income replacement, the council noted.

THE SYSTEM has been tried successfully in some European countries, and California has experimented with it since 1978. Arizona recently enacted a short-time compensation law, and several other states are considering such laws.

Union reports on the California experience have been generally positive, the council noted. It pointed out that although about a fourth of major collective bargaining agreements permit shorter workweeks in lieu of layoff, short-time is rarely used because there are no provisions for income replacement.

"If compensation is made available," the council observed, "these contracts would allow senior workers to elect the shorter workweek they may well prefer and at the same time preserve employment opportunities for the recently hired, including minorities and women."

THE COUNCIL cautioned, however, that the scheme is not an alternative to other anti-recession programs, since no new jobs are created and the benefits will be available to relatively few workers. It stressed, too, that care must be taken that short-time compensation programs do not endanger the unemployment trust funds that in many states are already in financial trouble.

The council urged that state laws establishing short-time compensation systems include the following safeguards:

- Adequate funding for the unemployment insurance trust fund to protect the rights of all workers.
- Agreement with unions representing the workers where short-time arrangements are adopted.
- A wage replacement level of at least two-thirds of a worker's lost pay up to 40 percent of the workweek.
- Full retension of pension, insurance and other fringe benefits.
- Protection against manipulation of short-time compensation that would discriminate against recently hired workers, especially women and minorities.

State Injury Insurance on Ohio Ballot

Chicago—The Executive Council urged all AFL-CIO affiliates to work for the defeat of a November referendum in Ohio that would permit private insurance companies to sell workers' compensation policies in the state, thereby ending Ohio's exclusive state fund plan.

Under the exclusive state fund system, private insurers are not allowed to sell workers' compensation insurance to employers. Therefore, investment income is retained by the fund to pay benefits and lower employer costs, and there is no need for overhead expenses and profit margins.

FIVE OTHER states—West Virginia, North Dakota, Nevada, Wyoming and Washington—also have exclusive state funds. In a dozen other states, private insurers compete with state funds. Ohio's fund is the largest of the six state funds, with more employers covered than all the other exclusive fund states combined.

For this reason, the council charged, the insurance industry has decided to attack and destroy the Ohio plan, which had been established in 1913 in a law sponsored by then State Sen. William Green—who succeeded Samuel Gompers as president of the American Federation of Labor. The attack is being led by out-of-state insurance interests through the American Alliance of Insurers, the council said.

An amendment to the Ohio constitution, backed by a group calling itself the Committee for Free Enterprise Competition, has been forced on the November ballot to do away with the state plan.

IN RECOGNITION of the lower costs inherent in exclusive state funds, a number of employers in Ohio have joined with the state's trade union movement to oppose the amendment.

The Executive Council, noting that other states are considering establishment of exclusive funds because of Ohio's success, said that the attack on the Ohio system is a blatant effort to destroy the flagship of the exclusive state workers' compensation funds of America, and should be resisted by the total trade union movement.



GRAIN MILLERS President Frank Hoese, seated center, holds a Kellogg's Corn Flakes box to indicate the package size soon to carry the union label, a breakthrough in the cereal industry. With him are, seated left to right, Doug Sackett, Kellogg director of manufacturing personnel; Chris McNaughton, Kellogg senior vice president for corporate services; Grain Millers Executive Vice Pres. Robert Willis, and Grain Millers Sec.-Treas. Joseph T. Smisek. Standing, are President Robert Harbrant of the AFL-CIO Food & Beverage Trades Dept., and Sec.-Treas. Earl McDavid of the Union Label & Service Trades Dept.

Congress Asked to Reject Decontrol of Natural Gas

Chicago — Natural gas price controls should be continued and Congress should renew the President's emergency powers to deal with oil and gasoline shortages, the AFL-CIO Executive Council urged.

Natural gas price controls are scheduled to be phased out by 1985 under present law and prices have already been allowed to rise faster than the overall inflation rate, the council noted. Low- and moderate-income families are already hurting and immediate decontrol threatens a "disastrous shock to the economy," the AFL-CIO warned.

The statement stressed that deregulation "cannot be justified on economic grounds. Current prices are more than adequate to stimulate exploration for new gas. Drilling for natural gas is at record levels with every available drilling rig in use."

NATURAL GAS prices "should be based on cost of production plus a reasonable profit," the council said. Deregulation "would give windfall gains to major oil companies already bloated with enormous profits."

While resisting legislation to abolish natural gas price ceilings, the AFL-CIO is pressing Congress for permanent legislation giving the President standby authority to impose oil price controls and to ration gasoline and other oil products to cope with an energy emergency.

Existing authority, granted in 1973 following the Arab oil embargo, will expire after Sept. 30 unless Congress acts.

THE COUNCIL statement and Senate testimony the previous week by Associate Legislative Director Howard Marlowe stressed that Congress should not wait for a catastrophe before it acts.

The President should be able to act "overnight if need be, in the event of shortages or excessive price increases caused by OPEC or otherwise, and in the event of security emergencies," the council said.

Marlowe's testimony before the Senate Energy & Natural Resources Committee, urged permanent legislation rather than a short-term extension of emergency powers.

"WE BELIEVE a program that rations gasoline and other oil products fairly and prevents prices from soaring is essential to maintain public morale during an energy crisis. A program that allows prices and profits to soar while most Americans endure financial hardship and inconvenience invites cynicism," he warned.

The Executive Council statement noted estimates that a 20 percent shortfall of crude oil supply would send the price of a gallon of gasoline soaring to a range of from $7 to $14.

"Opponents of rationing under any circumstances would reduce consumption through the combination of so-called market forces and rising prices," the council noted. "That inequitable policy would price oil products out of the reach of low- and moderate-income families," it protested.

Major Firms Show Surge In Second Quarter Profits

After-tax corporate profits in the second quarter of 1981 soared over the same period of a year earlier despite a sharp drop in the economy, a Wall Street Journal survey of company earnings indicated.

The Journal survey of 516 major corporations showed a 23 percent increase in after-tax earnings during the April-June period. Over the same three months, "real" gross national product—the value of the nation's total output of goods and services—fell at a seasonally adjusted 1.9 percent annual rate.

However, in this year's first quarter, profits dropped 2 percent from a year before despite strong economic growth due largely to a slide in oil company earnings.

Contributing to the second quarter profits surge was a rebound in steel industry earnings. The Journal reported steel profits up 112 percent. Also helping to boost April-June earnings was the auto industry. For the first time in over two years, the Journal said, all of the Big Three automakers showed a profit.

In a separate sample, Business Week magazine said that companies reporting second-quarter profit gains over a year earlier outnumbered firms reporting declines by 3 to 1, with companies in several industries registering particularly strong showings.

THE STEEL industry's sharp earnings gain last quarter was particularly evident among firms that manufacture pipes and tubes in oil and gas exploration and production, the Journal reported. U.S. Steel, the nation's largest steelmaker and largest producer of pipe, doubled its operating net to $167.6 million on a 20-percent sales gain, and seventh-ranked Armco lifted its profits 43 percent to a record $85.5 million on a 26 percent increase in sales.

In other industries, aerospace companies boosted their profits 21 percent during the April-June quarter, the Journal said. Department store profits rose 75 percent, utilities 21 percent, chemicals 30 percent, tobaccos 16 percent, publishing companies 14 percent, and petroleum products 8 percent.

Reprieve Approved For 2nd Class Mail

Publications of non-profit organizations, including union newspapers and magazines, got a reprieve from sharply higher postage rates in the final version of the budget reconciliation bill. But bulk mailings, sent out under third class postal rates, will cost substantially more after Oct. 1.

Under present law, postal subsidies for both second class and third class mailings of non-profit groups are scheduled to be gradually phased out by 1987. As a budget saver, the Senate version of the reconciliation bill would have eliminated the subsidy for both categories immediately; the House bill would have ended the third class subsidy and cut the second class funding.

A conference committee agreed, however, to continue the second class subsidy unchanged while denying funds for third class mailings.

Kellogg Adds Union Label To Packages

The Grain Millers and the Kellogg Co. have reached an agreement under which the company—the largest cereal-maker in the country—will print the union label on each of its family-sized cereal packages.

Kellogg, whose workforce is entirely unionized, announced its decision in Washington at a meeting with top officials of the 35,000-member union.

GRAIN MILLERS President Frank T. Hoese said that he viewed the action as a sign of a maturing relationship between the two parties. The union has had a labor contract with the firm since 1937.

"We're very pleased to have the Kellogg company put the union label on its family-sized cereal packages," he said. "We'd like to see all the companies we do business with do the same thing."

The company's decision to print the Grain Millers' label is not part of a collective-bargaining agreement and is based solely on a voluntary, mutual understanding.

Doug Sackett, director of manufacturing personnel for Kellogg, said that he expected the label to be showing up on cereal packages "in four to five months."

Sackett said that the label will be printed at the bottom of one of the side panels of each family-sized cereal package. Such packages make up 97 percent of the company's production. The label will go on 50 different packages of 24 products, such as Product 19, Corn Flakes, 40% Bran Flakes, and Sugar Corn Pops.

KELLOGG, which will become the first cereal company to carry a union label, also plans to print the label of the union local which makes the cereal packages, the Printing Specialties & Paper Products Union, Local 480 of the Printing & Graphic Communications Union.

The cereal company employs 5,000 workers in Battle Creek, Mich.; Memphis, Tenn.; Omaha, Neb.; Lancaster, Pa., and San Leandro, Calif. It has participated in the Union-Industries Show for the past two years.

Richard Leonard Dies, Retired IUD Official

Logan, Ohio—Richard T. Leonard, who served as assistant to the president of the AFL-CIO Industrial Union Dept. for 16 years until his retirement in 1972, died of cancer here Aug. 3. He was 79.

A founding member of the Auto Workers, Leonard helped organize a Chrysler Corp. DeSoto plant in the mid-1930s and was a delegate to the UAW's first convention in 1935. He also served as the union's welfare director, on the UAW executive board and as a vice president. After joining the CIO staff in 1948, Leonard was appointed Arizona director.

He later served as assistant to CIO Presidents Philip Murray and Walter P. Reuther. Following merger of the AFL and CIO in 1955 he was appointed assistant to the president of the IUD.

121 National Organizations Get Behind Solidarity Day

A total of 121 national organizations have announced support for the AFL-CIO's Solidarity Day protest demonstration planned for Sept. 19 in Washington.

Solidarity Day coordinator John Perkins reported that additional endorsements are being added each day. The demonstration is intended to focus the frustration of millions of Americans over the Reagan Administration's cutbacks in social programs.

In addition to the 121 national organizations, Perkins said that large numbers of local and state groups and coalitions will participate in the demonstration along with union contingents.

Among the national groups are the African Methodist Episcopal Church, American Coalition of Citizens with Disabilities, Consumer Federation of America, Frontlash, League of United Latin American Citizens, League of Women Voters and the NAACP.

The list also includes the National Consumers League, National Council of Senior Citizens, National Farmers Union, National Education Association, National Organization for Women, National Urban League, the Wilderness Society, United Mine Workers, and various Catholic, Protestant and Jewish organizations.

Human Rights Tied to Free Associations

Chicago—The cornerstone of United States human rights policy should be the universal principle of freedom of independent association, the AFL-CIO Executive Council declared.

"The right of ordinary citizens to create and maintain their own institutions, regardless of who owns the means of production or what political party is in power, is fundamental to all other rights," the council said.

"Without organizations through which to assert their rights and protect themselves from the state or other strongholds of power," the council averred, "citizens are deprived of the means to secure either their policy liberty or a wider measure of social and economic justice."

THE OPEN and forceful promotion of freedom of association should be undertaken by the United States, using all appropriate instruments, public and private, the AFL-CIO declared. It warned that the alternative to such a positive policy now may be increasing reliance later on purely negative and punitive sanctions, or the abandonment of a human rights policy altogether.

The promotion of human rights and of political democracy serves the legitimate security interests of the nation, the council pointed out.

Persistent violations of human rights by governments friendly to the United States are warning signals of their instability and ultimate unreliability.

"WE BELIEVE that the struggle of workers, under all social systems, for free and independent trade unions provides a useful perspective from which to formulate a more effective human rights policy," the council affirmed.

"We recognize that in running the gamut from authoritarian to totalitarian societies, the policy we propose will encounter different obstacles and thus require different methods of implementation. Nonetheless, it rests on a single standard of judgment and a universal principle which the American people can understand and support."





WOMEN TRADE UNION leaders from 15 Central and South American nations attended the 1981 collective bargaining and leadership programs for women of the American Institute for Free Labor Development. The 38 women, participated in graduation ceremonies at AFL-CIO headquarters after attending two seven-week institutes at the George Meany Center for Labor Studies. Among the topics covered were negotiations, economics, communications and human and trade union rights. Field trips included visits to unions and plants in New York and Boston. At left, Cecilia Rosa Halpern of the Argentinian Insurance Workers receives her diploma from AFL-CIO Education Director Dorothy Shields and Sec.-Treas. Thomas R. Donahue. AIFLD Executive Director William C. Doherty is at right.

Attendants Press Texas Airline on Resuming Talks

Houston—The Association of Flight Attendants asked the National Mediation Board to intervene in its contract negotiations with Texas International Airlines after the carrier walked out of talks July 20.

At the same time, AFA President Linda A. Puchala said that the union "will be contacting labor groups in every city served by Texas International to gain support for our efforts to reach a fair and equitable contract."

Puchala said that the airline, one of four companies owned by the holding company of Texas Air Corp. headed by Frank Lorenzo, had made no effort to return to the bargaining table since it abruptly broke off talks, further evidence of its progressively deteriorating labor relations.

AFA MEMBERS conducted informational picketing against the Houston-based carrier July 30, 31, and Aug. 1 at the Houston International Airport and on July 30 and 31 at the Dallas-Fort Worth Airport to protest the company's refusal to bargain in good faith.

Airline unions charge that Lorenzo's most recent creation, New York Air, was formed from Texas International assets, and that New York Air is avoiding union contract obligations. They also cite negotiating difficulties that TXI is currently experiencing with the Air Line Pilots and the Machinists as well as the recent suspension of five Texas International pilots for speaking out against the airline's management at a Continental Airlines stockholders' meeting.

Senior Citizens Cite Need For Federal Energy Aid

The National Council of Senior Citizens has released the findings of two studies that underline the need for continuing federal weatherization and energy assistance programs for low-income households.

In a press conference announcing the study results, NCSC Executive Director William R. Hutton said "no one should doubt the severity of the crisis low-income households face because of rising energy costs."

Noting that elderly and disabled persons are especially susceptible to death from cold and overheating, Hutton declared that without assistance, "this winter and summer, old people are going to be dying out there, and we want to interest people to help."

HUTTON CALLED the current energy policy of the Reagan Administration "inhumane and inequitable."

The Administration has proposed to terminate the Dept. of Energy's participation in the weatherization program and instead allow states and communities to use Dept. of Housing & Urban Development block grants for weatherization projects if they so choose. However, this option has been open to states under the weatherization legislation and has not been used.

The Administration also has proposed to cut the federal energy assistance program by 25 percent and fold $1.4 billion in funding for the program into Dept. of Health & Human Services emergency energy assistance block grants to states which do not specifically target low income persons.

THE STUDIES were conducted by the Grier Partnership and the Consumer Energy Council of America for Project Energycare, an information and referral program to help poor elderly and disabled persons obtain aid in meeting escalating energy costs. Energycare has 85 community-based branches operated by the NCSC and funded through the Community Services Administration.

With regard to energy assistance, the Grier study pointed out that the price of home heating oil has increased six-fold since 1973, from 20 cents to $1.25 per gallon, while the consumer price index has doubled. Natural gas quadrupled in price during the same period.

Social security and Supplemental Security Income benefits, on which many poor elderly people subsist, are tied to the CPI and, therefore, energy costs consume ever-increasing percentages of fixed, low-income budgets, the study pointed out. An estimated 5 million elderly persons have incomes less than 125 percent of the federal poverty guidelines, according to the Grier's data.

Some examples from the study's state-by-state breakdown of average 1981 home energy expenditures, compared with projections for 1982, show:

- In Maine and New Hampshire, the average expenditure was $1,773 in 1981 and is projected for more than $2,100 in 1982.
- In New York, the average expenditure was $1,851 in 1981, projected to reach $2,200 in 1982.
- In 11 states, average home energy expenditures exceeded $1,400 in 1981.
- In no state will the average energy expenditure for 1982 be less than $500.

The CECA study concluded that weatherization saves energy and is a cost-effective way to use federal energy dollars. It also said that weatherization helps low-income households reduce fuel bills by an average of 27 percent.

A combination of weatherization and energy assistance programs for low-income households would be the most cost-effective approach to alleviate the burden of rising energy costs for the poor, CECA said. **(PAI)**

CORRECTION

A picture caption in the Aug. 1 issue of The AFL-CIO News misidentified Pat Thomas, education director of the Service Employees, as Edith Mayo of the Smithsonian Institution.

Printing Clause Held Essential to Copyright Law

Chicago—The AFL-CIO urged Congress to enact pending legislation that would permanently retain the manufacturing clause in the U.S. copyright law which requires books written by American authors living in the United States to be printed in either the United States or Canada in order to receive U.S. copyright protection.

Elimination of the clause would result in a massive move by American publishers and printers out of the country and the publishing of American authors' books abroad, as well as widespread job losses in the U.S. printing industry, the Executive Council warned. The provision, in effect in varying forms since 1891, is slated to expire July 1, 1982.

"Removal of the manufacturing clause from the Copyright Act will not produce any tangible benefits for the American consumer," the council's statement said.

"The manufacturing clause is a vital defense against wholesale destruction of the U.S. industry. It should be preserved."

If the clause were eliminated, the Labor Dept. estimates, there would be a huge drop in employment opportunities in firms such as paper mills which supply the printing and publishing industry. It is estimated that the total job loss in the United States could run as high as 367,000, the council observed.

August Schedule Listed By Labor Studies Center

A weeklong session on arbitration was held at the George Meany Center for Labor Studies in Silver Spring, Md., and other training programs sponsored by six unions and the American Institute for Free Labor Development (AIFLD) are scheduled for the balance of August.

The arbitration program included preparation and presentation of a mock case before a professional arbitrator, with proceedings videotaped for review.

Using the campus for their own leadership training during August are the Clothing & Textile Workers, Aug. 2-3; Flight Attendants, Aug. 10-14 and 24-27; Teachers, Aug. 17-21; Communications Workers, Aug. 23-28; Operating Engineers, Aug. 23-28 and Aug. 30-Sept. 4; Cement, Lime & Gypsum Workers, Aug. 30-Sept. 4

The AIFLD will have 40 trade union leaders from Latin American countries on campus, Aug. 24 to Sept. 30, to study collective bargaining and leadership techniques.

A scheduled institute for principal officers of state and local central bodies on techniques for using the news media to tell labor's story was cancelled because of the air traffic controllers' strike. It was to have been co-sponsored by the AFL-CIO Dept. of Information and the Dept. of Organization & Field Services.

Information on these and other labor studies programs may be obtained from Fred K. Hoehler, Jr., executive director, George Meany Center, 10000 New Hampshire Ave., Silver Spring, Md. 20903. Telephone (301) 431-6400.

Council Backs Strikers

Kirkland Blasts Attempt To Bust Air Controllers

(Continued from Page 1)

think it's brutal overkill and a blatant union-busting tactic on the part of the Administration."

At a news conference during the Executive Council meeting, AFL-CIO President Kirkland told reporters:

"I do not believe that meeting this issue by brutal, repressive measures, invoking the full force and power of the government of the United States against these workers, who are attempting by the only means that they feel is left to them to bring proper attention to their serious problems, is a contribution to the resolution of it, nor will it advance the cause of public safety."

KIRKLAND SAID that PATCO members, who work long hours under highly stressful conditions, rarely qualifying for full pension benefits because of medical reasons, felt that they had no recourse but to strike an employer that has repeatedly turned its back on their pleas for justice.

"I respect the law," Kirkland told reporters, "but events here and elsewhere in the world have demonstrated that when working people feel a deep sense of grievance, they will exercise what I think is a basic human right to withdraw their services, and not to work under conditions which they no longer find tolerable."

Kirkland said in response to a question that the no-strike "oath" that air controllers and other federal employees must sign is like the "yellow-dog contracts" that have long since been outlawed in the private sector.

Kirkland, who accused President Reagan of strikebreaking in his militant, intractable handling of the walkout, led the Executive Council and other national and local labor leaders in an hour-long march with controllers picketing Chicago's O'Hare International Airport.

He said he hoped "reason will prevail," and suggested that appointment by the Administration of an experienced, impartial mediator "could offer a way out" of the impasse.

SUCH A recommendation was forwarded to the White House the evening of Aug. 3, when the walkout began, by Air Line Pilots President John J. O'Donnell, who told reporters in Chicago that he made the recommendation to Reagan's labor liaison, Robert Bonitati, and suggested former Labor Sec. W. J. Usery for the role.

Meanwhile, expressions of support for the controllers—as well as warnings that the Administration's uncompromising policy toward the strikers could have far-reaching implications—came from other labor groups.

BRITISH controllers were considering supportive action, as was the International Transport Workers' Federation, a trade-union secretariat linking transportation unions in the free world.

President Jerry Wurf of the State, County & Municipal Employees said that the Administration's actions signal a major attack on public employees generally.

Government Employees President Kenneth Blaylock observed that "if the FAA were operating in the private sector, they would have faced charges of failure to bargain in good faith from the National Labor Relations Board. Instead, they enjoy the full force of federal legal machinery and the judicial system in attempting to stifle the legitimate demands of PATCO and the workers it represents."

Blaylock added that the Administration's repressive measures against the union "lead to the unmistakable conclusion that it is intent on breaking it."

THE CONTROLLERS' walkout followed rejection of a June 22 government offer by 95 percent of PATCO's members. The controllers, whose rejection of the proposal was announced five days before they left their jobs, want higher wages than Transportation Sec. Drew Lewis allowed for in the government's package.

But they are especially seeking agreement on issues that transcend simple economics. These include earlier retirement, a shorter workweek, more say on choice of equipment they use, better training for rookie controllers, and a greater recognition by the government of the stress of their jobs.

PATCO members claim that few of their number last long enough on the job, 25 years, to collect full retirement benefits. They point to FAA statistics, obtained by the union through the Freedom of Information Act, showing that between 1976 and 1979 about 89 percent of U.S. controllers who retired did so for medical reasons before they were eligible for full retirement benefits.

ONLY THE United States, among all the world's major countries, they note, requires controllers to work a 40-hour week. In Canada, controllers work a 34-hour week and get a 21-day "sabbatical" every five years for extensive physical and psychological examinations to check for stress.

The Canadians got the work pressure relief only after a strike, the union noted.



WIVES OF STRIKING Air Traffic Controllers join the picket line in support of their husbands at a regional control center in Nashua, N.H. Spouses of PATCO members also picketed at a number of other locations across the country.

Congress Gives 2nd Helping To Profit-Rich Oil Industry

Congress recessed until Sept. 9 after giving rubber-stamp approval to the heart of the Reagan Administration's economic program—heavy budget cuts in virtually all non-defense segments of government, coupled with a tax policy geared to putting more cash in the hands of business firms and wealthy investors.

Both the House and Senate brushed aside last-ditch liberal efforts to cut back on the embarrassment of added benefits for the profit-rich oil industry. In addition to the assortment of tax cuts all business firms will receive, the oil industry will reap tax reductions expected to total $11.8 billion over the next five years.

EVEN AS the measure was being cleared for the President's signature, a high-level Administration official dropped a strong hint of a future proposal that would come close to eliminating entirely the tax obligations of the wealth.

The trial balloon was sent up by Assistant Sec. of the Treasury for Economic Affairs Craig Roberts in an interview with Fred Barnes of the Baltimore Sun.

Roberts said the Administration will consider moving to wipe out the progressive income tax system, under which those with the highest incomes are taxed at the highest rates.

Graduated income taxes hurt the poor by slowing "their climb up the ladder," Roberts insisted. He said the Administration may end up proposing "a flat rate of, say, 15 percent," without exemptions or deductions.

SUCH A FLAT rate would mean a higher total tax for wealthy, it would be a huge reduction from the present 50 percent tax rate ceiling.

Another Administration option, Roberts suggested, might be "moving away from income taxes altogether to a consumption tax." He presumably had in mind a value-added tax or some other form of national sales tax.

Technically, the stringent budget that Congress established is a non-binding target subject to refinement in a second budget resolution.

But at the Administration's prodding, Congress passed and sent to the President before the recess a budget reconciliation bill that made permanent changes in many of the nation's laws to ensure that spending does not exceed the tentative budget ceiling.

THERE WAS some hope for at least a partial reprieve in one element of the budget reconciliation bill, the much criticized provision eliminating the $122 a month minimum social security benefit.

The House voted 404 to 20 to continue the minimum benefit, which the budget reconciliation marked for elimination next March. The Senate put off consideration of the measure until after the recess.

The first item the Senate will take up when it returns, however, will be a showdown on an attempt to prevent federal courts from requiring school busing to achieve racial balance. Three attempts to break a filibuster supported by the civil rights movement failed, the last time by only a single vote. Another try at getting the 60 votes needed to limit debate is scheduled the day the Senate returns.

THE HOUSE, too, is approaching decision on a civil rights issue although it has not yet been scheduled for floor action.

Before the recess, the House Judiciary Committee approved by a bipartisan 23-1 vote a strong bill extending the 1965 Voting Rights Act, which is scheduled to expire a year from now. Efforts to reach a compromise on conditions under which jurisdictions became exempt from the law fell through, but those who sought to soften the law agreed to bring the bill to the House floor.

Social Cuts Imperil Support for Defense

Chicago — The AFL-CIO's traditional and steadfast support for a strong national defense should not be construed as "a blank check for the Pentagon," the Executive Council declared.

The council warned in a statement that the Reagan Administration's policies are threatening to shatter the national consensus for a stronger defense effort.

"By increasing defense spending at the expense of vital social programs, the Administration risks the creation of new anti-defense constituencies among workers, the poor, minorities and the elderly," the council said, adding:

"Popular support for a strong defense and foreign policy cannot be sustained by unjust social and economic policies which generate social tension, class conflict and political polarization. Nor will such policies produce the economic strength required for military strength."

The council called on Congress to submit the Administration's defense budget "to the closest scrutiny."

"IF, AS THE Administration says, we cannot solve our social problems by throwing money at them, we cannot solve our defense problems that way, either," the council declared.

It said that just as the AFL-CIO has in the past opposed across-the-board cuts in defense spending without regard for the weapons or strategies that would be affected, it also rejects the notion that vast increases in military spending will by themselves add substantially to the nation's military strength. It's not how much money is spent, but what it buys in relation to the country's security needs that should be the standard, the council stressed.

It charged that the Reagan Administration "has put the cart before the horse" by seeking huge increases in the defense budget without having resolved key issues of strategy or decided what weapons systems are needed to implement that strategy. Additional billions have been committed to the Pentagon, but no decisions have been made, for example, on deployment of the missile, on the B-1 bomber, or on other major defense questions.

THE COUNCIL noted that the Administration's budget proposals would boost defense spending, in constant 1972 dollars, from $72.5 billion in 1980 to $116.4 billion in 1985. Over the same span, non-defense spending would be reduced from $222.4 billion to $201.6 billion.

The statement called on Congress to crack down on the wasteful spending, huge cost overruns and poor management of resources that have characterized the Defense Dept. Those practices are indefensible even in prosperous times, the council observed, but they are intolerable "at a time when the defense burden is being shifted more and more to workers and the poor."

8/8/81

Correspondence about address corrections should be sent with attached mailing label to: Subscriptions, Room 209, 815 16th Street, N.W., Washington, D.C. 20006.

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Petition Drive Launched for Solidarity Day

Unions, AFL-CIO central bodies and allied organizations taking part in Solidarity Day have begun collecting signatures on petitions keyed to the goals of labor's Sept. 19th demonstration.

The petitions will increase the impact of Solidarity Day, AFL-CIO President Lane Kirkland said in a letter asking participating groups to reproduce and circulate the one-page document. They will show that those who come to Washington to demonstrate "are backed up by legions of like-thinking Americans in communities across the land."

"WE SPEAK for ourselves," the petition asserts, denying the claim of "the present Administration and a me-too Congress" to represent the views of America's workers.

The petition affirms the support of the signers for:

- Jobs and justice for all Americans.
- A safe workplace.
- Payment for all benefits guaranteed by the social security program.
- Full educational opportunity for all our children.
- The protection and expansion of civil rights, women's rights and voting rights.
- Decent housing and health care for all.
- A healthful environment.
- Fair trade laws that help rebuild the American economy.
- Energy programs that serve the nation and its people, not simply the oil giants.
- Tax justice.
- Interest rates that encourage, not impede, economic growth and job creation.

SIGNED PETITIONS, Kirkland said, should either be sent to the Solidarity Day office at the AFL-CIO headquarters or brought to Washington on Sept. 19.

The Solidarity Day committee stressed the importance of the petitions in showing the grassroots support for the programs that the trade union movement and its allies have been defending and advocating.

Circulation of the petitions by itself will stimulate interest in the demonstration, Solidarity Day Coordinator John Perkins noted. And it is a key element in an effective followup.

"Solidarity Day is not intended as a one-day media event," Perkins stressed.

OSHA to Keep Cancer Expert, Drops Charges

The Reagan Administration has called off its campaign to fire the top cancer expert at the Occupational Safety & Health Administration after running into a hornet's nest of protest.

Dr. Peter Infante is back on the job as director of OSHA's Office of Carcinogen Identification & Classification, and charges against him of insubordination and misrepresenting the agency's position on formaldehyde have been dropped.

Assistant Labor Sec. Thorne G. Auchter withdrew the charges in a letter to Infante dated Aug. 7, three weeks after a House Science & Technology subcommittee held hearings on the attempts to dismiss the cancer expert.

AFTER TWO days of testimony, Subcommittee Chairman Albert Gore (D-Tenn.) concluded that the formaldehyde industry's trade association "wanted this guy out of government" and instigated his dismissal.

Formaldehyde is suspected by the National Institute of Occupational Safety & Health of causing cancer in humans. The National Cancer Institute takes a similar

(Continued on Page 8)

Labor Support Spreads In Air Controller Strike



BUS TRANSPORTING AFL-CIO Executive Council members and staff from Chicago to Washington carried a message of support for striking Air Traffic Controllers. Public Employee Dept. Executive Director John Leyden, left, and President Kenneth Blaylock of the Government Employees show the banner.

Unions Hit Mass Firings By President

By James M. Shevis

Organized labor's support for the air traffic controllers' strike gathered momentum as the AFL-CIO and its affiliated unions joined in urging the Reagan Administration to return to the bargaining table and resolve the dispute that has resulted in mass firings, fines, and jail sentences.

With President Reagan unrelenting in his directive to fire members of the 13,000-strong Professional Air Traffic Controllers Organization who struck for better work conditions, the federation called upon its state and local bodies across the country to rally their members and their congressional delegations in the controllers' behalf. Actions and expressions of support by foreign air traffic controllers also underscored worker backing for the walkout.

THE FEDERATION directed its staff members to cancel all air travel plans, and postpone any AFL-CIO meeting where attendance would require participants to fly. State and local central bodies were instructed to follow the same course.

At its meeting in Chicago, the Executive Council called on the government to engage in "frank and open" negotiations aimed at alleviating the controllers' "clearly justifiable grievances."

Because the Administration has not responded to its call to reason, the AFL-CIO is asking state and local bodies to participate in petition drives, letter-writing campaigns to congressmen and senators, rallies, handbilling and informational picketing to generate such a response.

Individual affiliates proclaimed their support for the controllers, who struck after months of frustration in trying to negotiate a settlement of longstanding differences with the Federal Aviation Administration. PATCO members are employees

(Continued on Page 2)

The AFL-CIO on Wheels

Bus Riders Walk Line On Long Voyage Home

By John M. Barry

"We're getting used to traveling by bus, and I highly recommend it," AFL-CIO President Lane Kirkland told a cheering throng of Air Traffic Controllers and their families outside strike headquarters in Elyria, Ohio.

Bus travel in these times "is absolutely safe," Kirkland stressed. "They're good union drivers, and there are no white knuckles."

He thus summed up the reasons for the chartered Greyhound bus journey from Chicago to Washington by which he and his wife and 32 AFL-CIO officers and staff members made it back to base from the Executive Council and General Board meetings.

IN THE COURSE of the council sessions, it became apparent from the Reagan Administration's harsh response to the PATCO strike that there would be no flying back to Washington. There was tacit unanimity on that point. A number of council members and staff representatives arranged to drive or managed to find train accommodations. For the rest of us, the chartered bus offered the best solution.

But what started as a simple, if long, voyage home became an exercise in trade union solidarity and, more than that, an adventure of the spirit.

* * *

The big Greyhound cruiser had scarcely left Chicago's city limits on Friday morning, Aug. 7, when someone pointed out that the route would take us within a few miles of the air traffic control center outside Cleveland. Why not swing by and give a bit of encouragement to the PATCO pickets? The idea stirred anticipation on the bus as the riders saw the chance to demonstrate support for the strikers and publicly express their outrage at the Administration's tactics.

AT THE FIRST rest stop on the Indiana Turnpike, John Leyden, executive director of the federation's Public Employee Dept. and a former president of PATCO, phoned ahead for directions. There were more calls from subsequent rest areas as the bus coursed across Indiana and Ohio, and Leyden was able to work out a rendezvous with escorts from PATCO Local 203 who met us at Exit 8A of the Ohio Turnpike and led us to the local's headquarters.

(Continued on Page 6)

State Employees Win Pact In 22-Day Minnesota Strike

St. Paul—Some 14,000 Minnesota state employees, their ranks unbroken after 22 days on the picket lines, returned to work with a tentative two-year agreement that carried the unanimous endorsement of the executive board of Council 6 of the State, County & Municipal Employees.

The strike was legal under a 1980 state law and prison guards, the principal group of employees not allowed to strike, demonstrated their support by joining the picketing in their off-duty hours.

THE AGREEMENT, subject to ratification, assured every worker a pay raise of at least $100 a month in the first year of the contract, ranging up to $184 at the top grades. But the highest percentage increase went to lower-paid workers. Food service workers, for example, got a 13.3 percent raise.

Workers who struck represented a broad range of white-collar, blue-collar and service occupations. Three of the bargaining groups will receive a 6 percent raise next July 1, and an additional 3 percent on Jan. 1, 1983. Other units will receive two cost-of-living allowances the second year of the contract.

The strike began July 20 after AFSCME members had voted by a 77 percent margin to reject the state's contract offer.

Minnesota government offices hired about 700 temporary workers during the

(Continued on Page 8)



36TH CONVENTION of the Iron Workers opened with a keynote by President John H. Lyons warning that high interest rates are dragging the construction industry into deeper recession. More than 1,000 delegates were on hand.

Labor Support Expanding In Air Controller Strike

(Continued from Page 1)

of the FAA, part of the Transportation Department.

STEELWORKERS President Lloyd McBride instructed all USWA officers and staff members to refrain from flying on commercial aircraft except in emergencies.

Kenneth Blaylock, president of the AFL-CIO Public Employee Dept. as well as head of the Government Employees, urged members of PED affiliates similarly to avoid flying until the PATCO strike has ended, and encouraged AFGE locals "to lend moral support, including informational picketing alongside PATCO members."

Teachers President Albert Shanker urged his members to observe PATCO picket lines, assist PATCO locals and members during the strike, and to write Reagan and members of Congress of their dissatisfaction with the Administration's repressive handling of the dispute.

WOODWORKERS President Keith Johnson, warning that the Administration's harsh and brutal measures against PATCO "could well be the opening salvo" in its long expected anti-union campaign, asked IWA members to give "all possible aid and support" to the striking controllers.

Air Line Pilots President John J. O'Donnell observed that the Administration's position appears to have hardened into a form of "philosophical warfare" against labor. "Little, if any, meaningful discussion is going on regarding the issues that initiated the dispute," he added.

The AFL-CIO Industrial Union Dept. urged the Administration to end its "punitive" tactics. IUD staff will shun air travel.

TEXAS AFL-CIO President Harry Hubbard said it was ironic that the Administration encouraged workers in Poland to form free unions and speak out against government repression while at the same time it is trying its best "to break a national union in this country."

At a press conference following the AFL-CIO General Board meeting in Chicago, Federation President Lane Kirkland said that he felt confident that the public will come to see the Administration's handling of the strike as "an exercise in repression . . . to avoid any sort of reasonable discourse and any real effort to examine the real merits of the case and the justice of that cause."

In the maze of legal developments surrounding the dispute, PATCO filed an unfair labor practice charge against the FAA for refusing to bargain since the controllers struck on Aug. 3. At a hearing before the Federal Labor Relations Authority called by the FAA to seek decertification of the union as the controllers' representative, PATCO attorney Gary Klein asked Administrative Law Judge John Fenton to consider that the agency "is engaged in blatant union-busting."

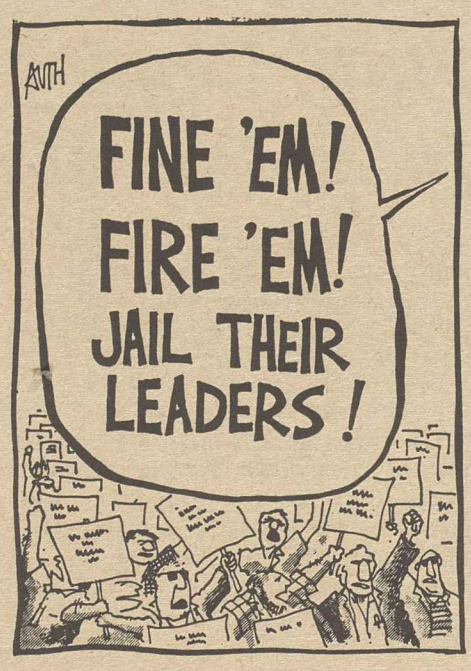
Meanwhile, PATCO President Robert Poli appeared in Federal District Court in New York to give a deposition in a multi-million dollar suit brought against the union by the nation's airlines. Poli, who arrived by chartered bus, warned reporters that air travel was unsafe due to replacement of PATCO members by supervisory personnel and inexperienced military controllers.

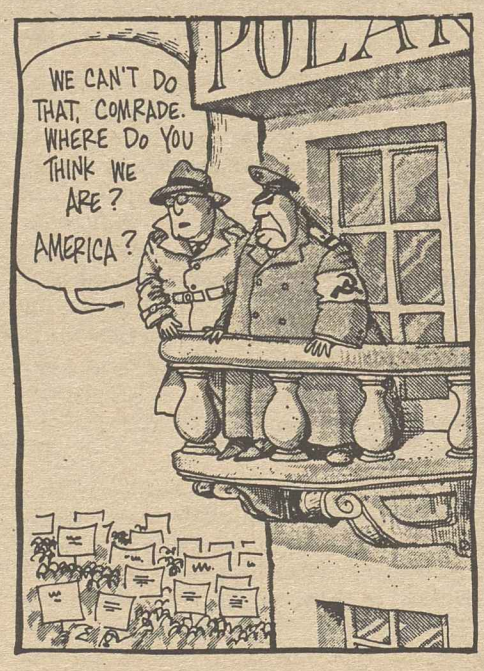
IN WASHINGTON, federal Judge Harold Greene refused the Administration's request for further action against the striking controllers, saying the government "cannot have it both ways." It cannot take action against workers it has fired, he reasoned. Greene also cut outstanding fines against PATCO from $4.75 million to $750,000, and reduced the fine against Poli from $6,000 to $2,000.

Overseas sympathy for the striking Americans girdled the globe. Transatlantic flights over Canada were delayed or canceled for two days as members of the Canadian Air Traffic Controllers' Association in Gander, Newfoundland, refused to clear flights to the United States over Canadian air space on grounds the reduced number of American controllers made U.S. air space unsafe.

THE CANADIAN boycott ended when the government promised to investigate union complaints that border skies were dangerous. Spain's controllers decided to refuse clearance to U.S. flights, however, and a boycott by Portuguese controllers was announced. The International Association of Air Traffic Controllers also was meeting in Amsterdam to consider the American air traffic situation.

The controllers seek improvements, including shorter hours and early retirement. The stress of their life-or-death responsibilities has forced many controllers to leave their jobs for medical reasons before they reach retirement age.





By Auth, from the Philadelphia Inquirer

Iron Workers Convention

Lyons Scores Reagan On Economic Policies

Hollywood, Fla.—The Reagan Administration's tactics of fighting inflation by risking further unemployment came under sharp attack here at the opening session of the Iron Workers' 36th convention.

Iron Workers President John H. Lyons warned the 1,084 delegates that Reagan economic policies will lead to long and deep recessions which the nation can ill afford.

"EVERY ONE percentage point in unemployment costs the government about $25 billion a year," Lyons stressed. With full employment, he said, essential programs could be funded and the budget would show a surplus.

The high interest rates that are part of the Administration economic strategy have pushed the unemployment rate in the construction industry 43 percent above the national average, Lyons charged.

Increased investments by the wealthy won't help a wage earner buy a home with a 16 percent mortgage, he said. Gains that union members made in the past "are slipping away from us," he warned.

Former Labor Sec. Ray Marshall and Sen. Edward M. Kennedy (D-Mass.) warned, as did Lyons, of the attacks on the Davis-Bacon Act, which sets prevailing wage standards for federally funded construction, and other labor protections.

KENNEDY CHALLENGED Republican senators who seek to repeal Davis-Bacon to prove that the law is inflationary. He also asked the Administration to "look at their own high interest rates" to discover one of the real causes of inflation in the construction industry.

He said "attacks on social programs are really attacks on organized labor which fought over the past 50 years to achieve those programs."

Marshall warned that if the Davis-Bacon statute were repealed, it would destabilize the construction industry, encourage fly-by-night contractors, result in shoddy work and higher costs for maintenance and repairs, and remove the incentive for developing skills and acquiring training and apprenticeship.

In his report to the convention, Lyons unveiled a new study of the effects of the open shop on the construction industry. The nation's two largest open-shop contractors, Daniel Construction and Brown & Root, are "making major inroads into the synthetic fuels market," he pointed out, and other non-union firms are making incursions into the industry.

"THE STAKES are too high to sit idly by while the Business Roundtable plots the destruction of construction unions," Lyons said. "Their philosophy and method of carrying it out constitutes a violation of the antitrust laws."

Also addressing the convention were Rep. Claude D. Pepper (D-Fla.), who lashed out against the Administration's proposed social security cuts, President Paul J. Burnsky of the AFL-CIO Metal Trades Dept. and Sec.-Treas. Joseph F. Maloney of the AFL-CIO Building & Construction Trades Dept.

Drozak Hits Bid To Weaken Law On U.S. Shipping

The AFL-CIO Maritime Trades Dept. called on Congress to reject any weakening of the Jones Act, which reserves domestic shipping rights for U.S. vessels.

MTD President Frank Drozak told a House Merchant Marine panel recently that poking loopholes in the law would threaten the nation's defense as well as "severely weaken our economic base."

Past military sealifts have been possible "because the Jones Act provided the United States with a healthy shipbuilding mobilization base and a pool of skilled personnel to operate vessels," he noted.

Drozak, who is also president of the Seafarers, opposed legislative exemptions sought by the Pacific Northwest lumber industry.

He reminded the House panel that "more than 185,000 American workers and their families owe their livelihoods to domestic waterborne transportation protected by the Jones Act."

81,000 Win Contract Gains At California Supermarkets

Los Angeles—Members of nine locals of the Food & Commercial Workers approved a new three-year contract covering more than 81,000 food clerks employed by 21 Southern California supermarket chains and independent supermarkets.

The pact, ratified by a margin of 63 percent of those voting, covers 65,000 employees of the chains and binds also the independent supermarkets that had agreed to accept the terms of the union's settlement with the Food Employers Council.

THE AGREEMENT, reached on the eve of a strike deadline, will raise hourly wages by $1.90 over three years, and provide cost-of-living adjustments and increases in employer health and welfare pension contributions.

The nine UFCW locals directly covered by the contract are in Bakersfield, Long Beach, Los Angeles, Santa Barbara, San Bernardino, Riverside, San Diego, Pomona, and Santa Monica.

Union negotiators valued the overall package at $3.56 an hour for the life of the contract in pay increases, COL adjustments, and fringe benefits.

THE PACT will increase journeyman clerks' pay by 80 cents an hour in the first contract year, and by 55 cents an hour in the second and third years. In addition, there will be a guaranteed COL raise of 25 cents an hour the first year, 20 cents the second and 25 cents the third.

Clerks' helpers will receive increases of 40 cents an hour the first year and 25 cents an hour in each of the other two years. Other worker categories will receive increases in appropriate proportion to journeymen's wages.

Jobless Rate Dips on Drop In Workforce

The nation's jobless rate fell three-tenths of 1 percent for the second month in a row, dropping to 7 percent in July. That's the lowest it has been since April 1980, when it was 6.9 percent.

But the improvement was more statistical than real.

The two-month decline in the unemployment rate was primarily the result of a shrinkage in the total workforce—the number of people employed and actively looking for work.

THE WORKFORCE total was nearly one million less than two months ago, and the number of persons with jobs in July was 273,000 below the May level. While both employment and the workforce rose in July, the rise was not enough to offset the previous month's sharp decline.

Bureau of Labor Statistics Commissioner Janet L. Norwood cautioned against over-optimism on the basis of the July drop in the unemployment rate.

"I don't know what will happen in August, September, and October," she told reporters at a news conference.

Norwood said that "the auto industry continues to show weakness and has recovered only a small portion of the jobs lost during the past two years."

Construction employment, which continued to decline in July, remains below the low point of last year's recession.

DESPITE THE downturn in the economy in the second quarter, total employment last month rose by 570,000, with most of the new jobs going to adult males, especially those 20 to 24 years old. For men 25 years and over, the jobless rate dropped from 5 to 4.7 percent in July. For those 20 to 24 years old, the unemployment rate declined sharply from 12.8 to 11.3 percent, its lowest level since March 1980.

The jobless rate for adult women, 6.7 percent, remained about the same. The rate for all teenagers dropped from 19 to 18.1 percent. The unemployment rate for minority teenagers dropped from 38.6 to 36.4 percent.

For blacks of all ages, the jobless rate last month fell six-tenths of 1 percent to 13.6 percent. Unemployment among Hispanic workers was measured at 9.9 percent, a three-tenths of 1 percent drop, the bureau reported.

EMPLOYMENT IN the construction industry remained at depressed levels in July, as an additional 20,000 jobs were lost, BLS said. Joblessness in the industry was measured at 15 percent, "still well above the rates that prevailed earlier this year," the bureau said.

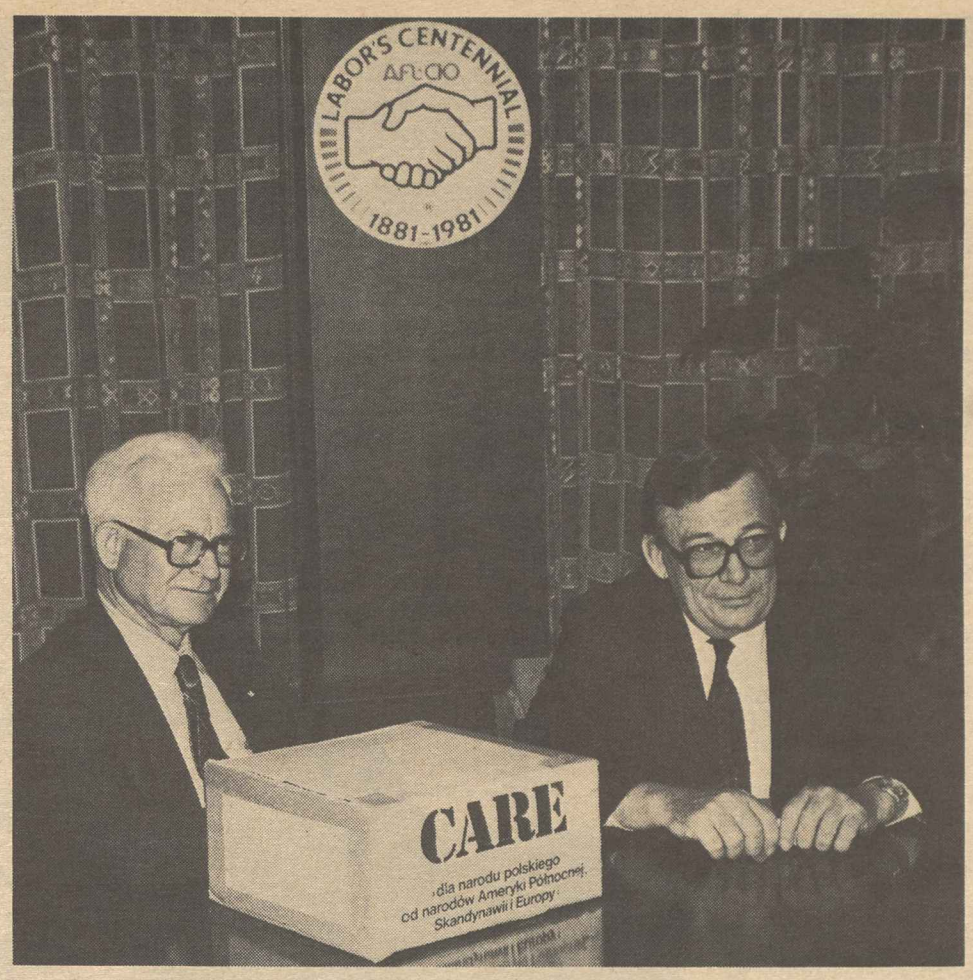
In contrast, manufacturing employment continued to improve in July, rising by 110,000 to 20.5 million. Both durable and non-durable goods industries registered job increases, with fabricated metals, machinery, electrical equipment, and apparel showing the most improvement.

Top Executive Pay Averages $616,500

Top officers of major industrial corporations collected double-digit pay raises last year, according to a survey by a management consultant firm.

In 100 major companies surveyed, the median salary and cash bonus of chief executive officers came to $616,500, up 11.7 percent from the previous year.

Other high-ranking executives did even better. Compensation for the second highest official in these companies rose 14.4 percent, to $455,800. The third layer of executives averaged a 12.4 percent increase, to $353,700. The survey was conducted by the firm of Towers, Perrin, Forster & Crosby.



CARE PACKAGES of food like that shown here are being sent for distribution to the elderly in Poland under a program developed by the international aid and development cooperative. CARE President Wallace J. Campbell and AFL-CIO President Lane Kirkland discuss the emergency food program. The federation is a member organization of CARE. The agency plans to send 200,000 packages to Poland in the next year.

OCAW Keynote Challenges Reagan's Election Mandate

Denver—President Reagan's "election mandate" was sharply challenged at the opening of the 16th biennial convention of the Oil, Chemical & Atomic Workers.

In his keynote address, OCAW President Robert F. Goss blamed voter apathy for the election result. "Much has been made by the President of the mandate of the last election. But Reagan was elected because almost half of the people stayed home; we stayed away from the polls," Goss said.

"He was not mandated to destroy unions, to gut OSHA, to take away food stamps, to cut back help to the elderly, to cut out student loans, but that is what's happening.

"THE REAGAN Administration has given tax cuts to the oil industry, to multinational oil companies, and to people making over $50,000 a year, and that doesn't apply to very many people in this gathering."

Focusing on the makeup of the Administration, Goss noted that both Labor Sec. Raymond Donovan and OSHA Administrator Thorne Auchter are employers and charged that they do not truly represent working people.

"We work in the most profitable and hazardous industries and we have found no help in developing a safe work environment," he said.

The OCAW president also noted that "a sophisticated union-busting industry is developing in this country."

"ANTI-LABOR forces took over our country during the elections last fall and are trying to retrogress us back to the 1930s, and we're already there in some respects," Goss said. "Anti-labor forces are eating our lunch every day."

Approximately 850 delegates and 150 OCAW staff members attended the convention that was to conclude Aug. 14 with the election of officers. Goss is being challenged by Anthony Mazzocchi, director of the union's health and safety department. Thirteen candidates are running for the four officer positions.

Whenever possible, delegates as well as staff employees used alternative means of transportation to the convention. The OCAW executive board had notified them of their support of the Air Traffic Controllers' strike.

Those traveling to the convention used autos, buses and trains, many of them driving several days from the east coast and other distant areas of the United States and Canada.

AFL-CIO Sec.-Treas. Thomas R. Donahue, President Joyce Miller of the Coalition of Labor Union Women, and Rep. John Conyers (D-Mich.) were scheduled to address the convention but canceled their appearances because of the PATCO strike.

Delegates adopted resolutions condemning the Reagan budget and tax program, high interest rates and so-called "right-to-work" laws. Other resolutions endorsed Solidarity Day, "grass-roots" political action and urged "vigorous defense" of the social security program.

Kirkland Cites Inspiration of Polish Unions

Chicago—The workers of Poland have "reinvigorated the cause of democratic labor everywhere in the world," AFL-CIO President Lane Kirkland declared in a telethon here to raise funds for the food and medical needs of the Polish people.

"They have written a new and dramatic chapter in the history of freedom," Kirkland said in remarks aired on WGN-TV. Solidarity, the new labor federation in Poland, has become more than a narrow trade union movement, Kirkland added.

"IT HAS BECOME the vehicle for a broad national movement of the whole Polish people against a failed tyranical system imposed upon them by the Soviet Union," he said.

The AFL-CIO, which is the largest supporter of Solidarity in the West, having raised a quarter of a million dollars for office supplies and equipment for the organization, pledged $1,000 to the Polish-American Charities Committee's campaign for food and medical supplies for the Poles.

Organized by the Polish-American Congress headquartered here, the telethon had raised $1,032,000 by the following day. President Robert Gibson of the Illinois State AFL-CIO, who introduced Kirkland, said that "more is still coming in."

GIBSON SAID that while the majority of pledges came from the Chicago area, where there is a heavy Polish-American population, calls came in from all over the nation. The telethon was beamed to some 1,200 outlets through WGN's tie-in with cable television.

He said that the food and medical supplies will be purchased in the United States, and shipped directly to Poland, where Solidarity members will help in their distribution to the needy.

Congratulating the organizers of the telethon and the viewers for their generous response, Kirkland said that the AFL-CIO is prepared to work with Polish-American groups, church and charitable organizations, and other concerned Americans to provide food and medicine to the Polish people.

And, as for assistance to the Solidarity trade-union movement in Poland, "we will continue this as long as they need it and want it," he said.

IUD Assails New Strategy To Oust Established Unions

Chicago—The AFL-CIO Industrial Union Dept. called for a mobilization of union resources to keep major business firms from destroying collective bargaining relationships where they already exist.

"This effort takes the form of company-stimulated decertification elections," IUD's executive council said in a resolution unanimously adopted here.

IUD AFFILIATES that participate in coordinated bargaining are beginning to feel the impact of this relatively new level of union busting, the council statement observed.

At Reliance Electric, what had been regarded as an increasingly productive union-management relationship was shattered by decertification elections in three plants, two of which were lost by the union, the department noted. A generally peaceful relationship between a number of IUD affiliates and management at the Square D Corp. recently was overthrown by a decertification petition filed at a Square D plant in Texas, with the reported support of the local plant manager.

Trying to hold off unionization is nothing unusual for American corporations, the IUD noted. But it has been rare for major American companies to try to overturn a collective bargaining relationship once it became established.

The practice "represents a menacing new direction taken by American industry, a threat not only to many individual unions, but to the basic role of free trade unionism in our democratic system," the council declared.

The IUD urged responsible corporate leaders to weigh the ultimate effect of these new anti-union efforts on the basic relationships between labor and management and on the fabric of industrial life in a free society.

In another resolution, the IUD promised to work to reform U.S. trade law and policy to make fair trade a reality. "Sensible international economic policy is a vital part of the industrial policies needed to reindustrialize the United States," the resolution observed.

THE DEPARTMENT pledged to continue to work toward stemming the flood of imports, ending export performance requirements and other "job-stealing" rules imposed by foreign governments, pressing for a system of minimum international labor standards, and continuing to fight for an end to the special multinational tax breaks which encourage U.S. industry to invest and create jobs abroad rather than in the United States.

In other business, the IUD approved the affiliation of the Office & Professional Employees International Union, bringing the number of department affiliates to 59.

To Call Up the Ranks

EACH OF US is bound by a sacred trust to represent faithfully the interest of our members and, by natural and logical extension, the interests of the working people of America.

Unlike the wily politician, we are not free to shift from constituency to constituency, to trade off one set of interests for another, to bob and weave among the issues, just so long as the election day tally comes out in our favor.

We have a constituency with self-defined interests. We have an agenda that flows from the aspirations of our members. It did not come from a moistened finger thrust into the political breeze.

WE ARE NOT free to pick and choose our principles according to public opinion polls or media fads.

We are not free to favor social security one day and acquiesce in its dismemberment the next.

We are not free to favor voting rights one day and find it unnecessary the next.

We are not free to favor the minimum wage, health and safety regulations, unemployment insurance, aid to education, food stamps, tax justice, public service jobs, and equal rights one day, and then discover on the next that these were merely ways of the government "getting on our backs."

When old discredited policies reappear in the guise of "a new beginning," we cannot pretend ignorance of their likely consequences. We cannot give the Administration the benefit of the doubt when there is no doubt in our minds.

WHEN GOVERNMENT social programs are blamed for all our economic ills, we cannot retreat into amnesia, conveniently forgetting the grim conditions that gave birth to those programs.

When the President calls for a "new federalism" to reduce the role of the federal government and turn power back to the states, we cannot act as if we were not around when "States Rights" was invoked to keep blacks out of polling booths and universities, to keep wages and social benefits low, to obstruct union organizing, and to maintain the power of narrow political and commercial cliques in the state houses.

When the Administration launches a radical counter-revolution to undo the progress of half a century, we cannot pretend that we are in the midst of business-as-usual.

Some of our political friends have suggested that now is not the time to mobilize resistance to the counter-revolution. Wait, they say, until the full impact of Reaganomics hits your people. Wait until they're really hurting. Then they will have only the President to blame.

But that is not what our mandate is for. To watch from the sidelines as the counter-revolution is consolidated on the backs of workers is a betrayal of our stewardship. Our job, knowing what we know, is to resist that injustice and to prevent the damage—not to wait until disaster strikes in the hope of turning workers' misery to later political advantage.

It is a time to call up the ranks.

—AFL-CIO President Lane Kirkland at General Board meeting, Aug. 6, 1981.

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THOMAS R. DONAHUE, *Secretary-Treasurer*

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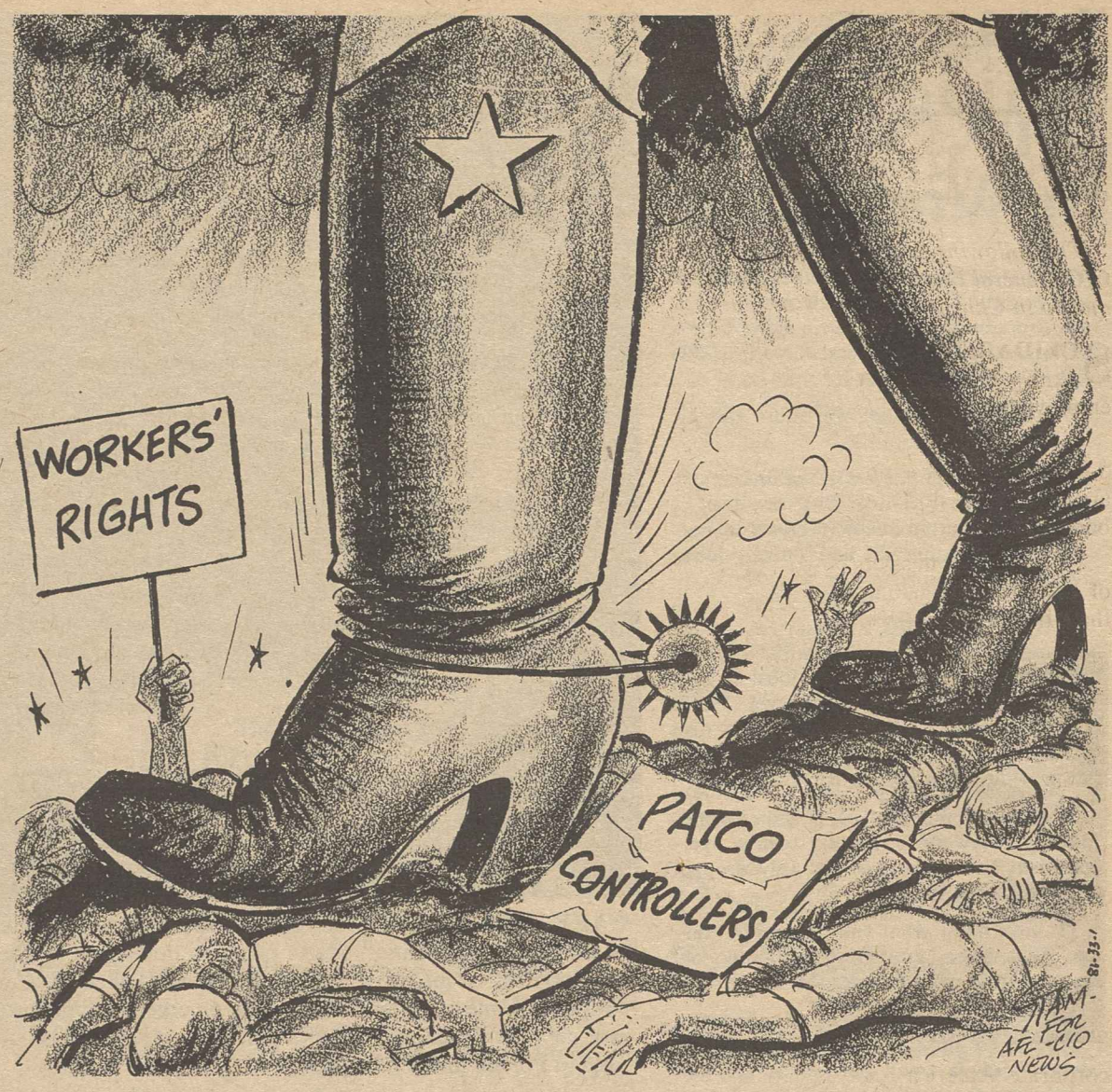
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No Solution to Unemployment

Thatcher's Cheap Pay Subsidy Pushes Down Britain's Wages

By Gus Tyler

TO STEM THE RIOTS in Britain, Prime Minister Margaret Thatcher has proposed an economic program that is in violation of her basic economic principles and yet is so fettered by her conservative prejudices that it just won't work.

Her plan is to create jobs for youths of riotous age, using government funds for the purpose to the tune of about $1 billion next year.

Apparently, Thatcher has concluded that jobless youth are prone to riot. So she is planning to put the young to work with the aid of government funding.

THE STEP—necessary as it is—is strictly out of step with Tory philosophy. If the unemployment rate in Britain now stands at 11.8 percent, that is a condition that should be cured by "market forces," according to conservative orthodoxy.

By that dogma, the high unemployment rate should bring down wages to make it possible for employers to hire workers at a profitable price. Thus unemployment with its low wages would be the road to greater employment at reduced wages, according to the classic calculations of the conservatives.

Whatever merit there may be to this bit of economic logic—and it is dubious whether there is any—the theory makes no allowance for the fact that people are people and not just so many numb numbers. People riot and people vote and they are doing both to the dismay of the Tories.

THE RIOTS have been running continuously for several weeks. In a by-election recently, the Tory party polled less than 10 percent of the total vote. Within the Cabinet there has been rising pressure for the Government to do something to spur employment and to give up the crude course of trying to revive the economy by starving people into submission. Agriculture Secretary Peter Walker demanded policies that would "move the country to being one nation at work instead of two, one employed and one unemployed." So, finally, Maggie, the metallic maiden, yielded.

But, even as she did, she didn't. She did decide that she could not count on "market forces" to do the job and that the Government had to step in. But the way in which she intervened once more exposed her class prejudices.

The key point in her program is a proposal to make weekly payments of $28.50 to companies for each employee under 18 hired at $76 or less per week. In other words, the Government will subsidize employers to employ young people, provided the pay is low enough.

The program will probably not create a single job in Britain without displacing someone else from some other job. No doubt, there will be employers who will be delighted to get the subsidy from the government as a reward for paying a low wage. They will indeed employ some youth.

But these employers, advantaged by cheap labor and government subsidy, will be in a position to undersell and undercut and undermine other employers who presently employ people—young and old—at the going wage and without subsidy.

SO THE THATCHER program will merely redistribute unemployment while lowering the general wage level. The only beneficiaries will be those employers who get the subsidy—a rather predictable consequence of a mind set that is determined by the attitude of the employer class.

Thus has Maggie lost her purity while gaining nothing in return for the humiliating sacrifice.

Let the Country See There's No Mandate

Our organization, the American Federation of State, County & Municipal Employees, will with other unions do everything possible to make Solidarity Day a national happening so that the country as a whole can see that there is no mandate for the programs that are coming from this Administration.

There is no mandate for the reduction in minimum benefits of social security.

There's no mandate across the country for the reduction of school lunches, for cutting the whole host of programs in the name of balancing the federal budget.

There's certainly no mandate for the reduction of jobs, particularly where young adults for the first time have made an opportunity to go to work.

There must be a minimal standard of life below which we will not expect anyone to exist in our society.

—AFSCME Sec.-Treas. William Lucy at AFL-CIO General Board meeting.

Voicing Labor's Concerns

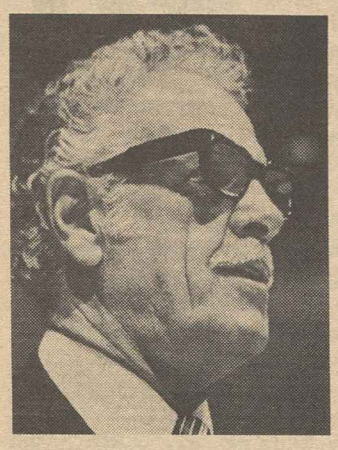
Solidarity Day Provides Forum For Basic Aims of Unionists

The following is from an address to the AFL-CIO General Board by Vice President Peter Bommarito in Chicago, Aug. 6, 1981.

SOLIDARITY DAY is a call to action. We know that an America that has 7 percent unemployment demands action.

In this, the centennial year of American labor, Solidarity Day is a fitting expression of who we are, what we do, and why we trade unionists banded together in the first place .

Our primary mission is to support the process of collective bargaining—which is nothing more than free men and women, negotiating in a free society, achieving a voice in their fate on the job. To pursue that goal, we will use any tool we can lay our hands on. Our tools may, at a given time, include education, organization, legislation or negotiation with either friend or foe.



A few years ago, we noted well that corporate America and its conservative political allies were expressing an attitude toward workers and their unions that was turning, in a word, nasty. In the fight for labor law reform in 1978, for instance, America's companies unswervingly lined up behind the outlaws in their ranks in a blind expression of a bunker mentality—us against them, with no interference from the light of reason.

IN CORPORATE and conservative America, among those who have much and intend to keep it, the motives and issues were not new—indeed, they were much like the motives and issues faced by Samuel Gompers as much as a century ago.

The methods, however, had changed. The company goon with the club and brass knuckles had been replaced by the sharpie with a briefcase, whose "seminars" taught America several new euphemisms for old-fashioned union-busting. At the same time, and on an equally slick and fast track, they cranked up in the political arena a new tool called the independent political action committee which could bring the methods of the gutter to the attack against any candidate they chose, while their candidate, the beneficiary of these methods, stood above the fray, unaware, of course, of how many dollars were poured into his victory.

It was against that backdrop we came to November 1980. And we lost.

Our opponents did not win with an overwhelming mandate. In fact, the presidential election was decided by just over 50 percent of Americans who turned out to vote. So, it could better be called one-half of one-half of a mandate.

But they did win. And they did win enough offices to get started on turning back the clock on social progress in America.

TODAY, less than seven months into the new Administration, we can see the shape of the attack. In the halls of both the legislative and executive branches of government, they are working their will through either legislative initiative or administrative fiat to achieve a whole host of goals that can only be called anti-worker.

Unfortunately, the attitudes that make such a wholesale attack on workers possible are on display now. All Americans have seen the harsh and punitive actions of the Administration against the air traffic controllers, who agreed by a 95 percent vote that their situation was untenable, their working conditions intolerable.

We trade unionists would also ask one question of the nation's opinion molders and media. Why is it that one year ago this month, when some public employees at the shipyard in Gdansk, Poland, felt similarly compelled and went on strike the free world was electrified and applauding? Are these the same voices who today say the only option for an American public employee is to go to jail?

Throughout that list of anti-worker initiatives, the common theme is to repress workers and quiet the voice they can express through their unions. It's anti-worker, pure and simple.

Nowhere has the philosophy behind this tax-cutting and budget-cutting insanity been more clearly displayed than in the attack on the social security system. Incredibly, the social security cuts are being advanced by a candidate whose principal pronouncement on the issue was to say, in the nationally televised presidential debate on Oct. 19, 1980, that he would begin work on social security "with the promise that no one presently dependent on social security is going to have the rug pulled out from under them and not get their checks."

THERE ARE SERIOUS questions for us about many of the other officials who were elected last November with our help. In kowtowing to the Executive Branch and its much ballyhooed "mandate," our congressional friends showed they know when it's time to rise above principle and worship the great god expediency. Together they left us with a choice between jelly beans and jelly fish.

We trade unionists know we stand pretty much alone in the fight to advance the workers' rights. But that never deterred us during the first century of American labor, and it sure isn't going to stop us now.

We will, now and in the future, continue to use all the tools of education, organization, negotiation and accommodation that are necessary for us. But for now, we're going to begin at the very beginning. And that's on the streets of Washington, D.C., on Sept. 19.

3 Million Jobs Endangered

Decontrol Plan Seen Bringing Doubling of Natural Gas Prices

THE REAGAN Administration's plan to end price controls on natural gas would more than double current prices and cut more than three million more jobs out of the already staggering economy, AFL-CIO Associate Legislative Director Howard Marlowe warned on Labor News Conference.

The impact of natural gas decontrol will be both "enormous and severe," Marlowe said. He stressed that industries as well as consumers will suffer. He pointed out that 60 percent of the nation's homes use natural gas for either heat or cooking, and that the production process of "a number of industries are very dependent upon natural gas.

Marlowe said that if natural gas controls are lifted, the producers will push prices to a "market-clearing level," which will be "determined by the OPEC price of oil on the world market." He noted that the current price restraints have held natural gas rates below the OPEC level, even though "the oil companies are the gas producers."

Marlowe turned aside the contention that "if the price is held artificially low by government action, the industry does not have the incentive to explore for and produce from new sources." In fact, he pointed out, the Reagan decontrol plan would wipe out the current incentive, which permits producers to charge higher prices for newly discovered gas.

Under decontrol, the price of all gas will be the same, whether it comes from existing or newly discovered sources, Marlowe said. "The incentive then," he said, "will be to manage the sale and production of gas on hand, so that it produces the profits that the oil companies want."

Washington Window

By Press Associates, Inc.

ANY SENSIBLE PLAN to curb inflation must include putting rapidly escalating health care costs under control.

Total health expenditures in the United States rose from $10.8 billion in 1950 to $167.9 billion in 1978. These figures represent only a partial picture as they do not include administrative costs or government public health expenditures.

Costs for hospitalization, surgery, doctors' care and auxiliary services such as laboratory tests, x-radiography, and physical therapy have become so prohibitive that a serious and prolonged illness can financially ruin a middle-income family without health insurance.

THOSE WITHOUT health insurance—and there are some 27 million according to current estimates—may often be turned away from hospitals if they cannot pay the costs.

Past unsuccessful legislation debated by Congress would have restrained health care costs directly by restricting hospital charges and physicians' fees. This year, however, several bills pending in Congress seek to control costs indirectly through insurance companies and consumers.

These current measures would apply a "free-market" approach to the health care industry. Theoretically, costs would be lowered by providing incentives for employers and consumers to choose lower cost health plans and thus inducing insurance companies to compete by lowering premiums.

The Committee for National Health Insurance (NHI), chaired by Auto Workers President Douglas A. Fraser, has produced a study of one of the pending bills, the Administration-supported National Health Care Reform Act of 1981 (H.R. 850).

THE COMMITTEE points out problems with what it calls "the have-less insurance approach" of this bill, which was drafted by Management & Budget Director David Stockman and introduced into the House earlier in the year by Rep. Richard A. Gephardt (D-Mo.).

Under the Stockman-Gephardt plan, employers who are now permitted to deduct group health insurance premiums for employees from federal income taxes would only be allowed to deduct a maximum contribution, which is as yet unspecified in the bill. Any health premium payments above that amount would be considered taxable income to the employees.

Medicare recipients would have the choice of continuing in Medicare or receiving vouchers to purchase membership in a qualified plan. Those totally without health coverage also may receive vouchers to buy into health plans, but only after the competitive system becomes established and if the states choose participation in the system.

The committee found other flaws in the plan:

- Lower-cost, lower-benefit plans would mean less health care coverage. Workers with less coverage would end up paying higher deductibles and co-insurance payments or, as the committee says, "workers would be offered a bribe to disinsure themselves."
- The maximum amount to be paid by individuals is $2,900, after which catastrophic benefits would become operative. However, CNHI points out that for tens of millions of low-income persons, $2,900 may be "catastrophic."
- The maximum non-taxable premium to be paid by employers is not stipulated, therefore no actual cost estimates can be made.
- Union members with negotiated comprehensive health coverage paid by employers would be penalized.
- Higher cost "preventive" health care would be discouraged.
- Poverty-level Americans without Medicaid coverage would be threatened with no coverage. The committee estimates that 47 percent of those at or below the poverty level are not covered by Medicaid.



THREE MILLION more jobs cut from the economy and cooking and heating gas bills at least double current charges will be the price of the natural gas decontrol plan the Reagan Administration is pushing, AFL-CIO Associate Legislative Director Howard Marlowe, center, warned. Marlowe was questioned on Labor News Conference by Alan Adams, left, of Employment Relations Report newsletter and Drew Von Bergen of United Press International. The AFL-CIO produced public affairs program is broadcast weekly on the Mutual radio network.

AFL-CIO Bus Makes Picketing Detour

(Continued from Page 1)

The greeting was stunning. A crowd of some 300 strikers, their families and supporters, led by Local 203 President Ed Zagovic, roared their welcome, arms upthrust, as driver Bill Johnson maneuvered the bus into a parking spot. Area trade unionists on hand included Cleveland AFL-CIO President Sebastian Lupica, CWA Vice President Martin Hughes, Russell Schroeder of the federation's field staff, Lorain County AFL-CIO President Andy DeAngelis and local UAW and IUE leaders.

For the most part, the crowd was made up of young men and women, many with babies in backpacks and strollers or with toddlers at their side. They were white and black and brown and represented a wide mix of nationalities. But there were no old-timers among the strikers, underscoring PATCO's point that few of its members last long enough under the pressures of their job to make it to retirement with full benefits.

KIRKLAND, speaking through a bullhorn from the top of a table set up in an open field, took special note of the youngsters seated around him on the grass and recalled meeting others like them when the Executive Council joined the PATCO picket line at O'Hare Airport earlier in the week.

"I couldn't help thinking," he said "how they must feel when they turn on television and watch the President of the United States, in all his majesty and might, standing in the Rose Garden calling their fathers and mothers criminals and offenders, villains and persons violative of the principles of this republic"

"Your parents are heroes in whose courage you can take pride," he told the young people.

"They have the courage to overcome fear and to stand up against all the force that can be brought to bear to repress and deny the legitimate aims of ordinary people trying to work for a living, trying to do the best that they can."

Kirkland expressed labor's firm support of the strikers' cause and predicted that ultimately American public opinion will come around to their side.

"THEY'LL CONSIDER the spectacle of a President and an Administration that applauds the example of the Polish workers risking their necks and their freedom —committing what were then illegal acts —striking government employment to establish a genuine, free and independent trade union for themselves.

"And yet when the same thing happens here, it's met with a kind of brutal oppression that I'm sure the Russians and the old-time members of the central committee of the Communist Party of that country would have loved to be able to exercise in that case."

AFL-CIO Vice President Ken Blaylock, president of the Government Employees, drew resounding cheers when he told the strikers that "by your commitment, your determination and your courage, you are an example for the rest of the federal workforce, and they are taking notice throughout this country."

"YOUR STRENGTH is gaining daily," Blaylock said. He noted that AFGE was being "totally swamped" with calls from members wanting to know how they could help.

"They're rallying to your people all over the country—strike, line protection, line rotation, family assistance—they're walking with you and more are coming every day."

Federation Vice President Dave Fitzmaurice was warmly welcomed as a Cleveland native who had begun his union activism there before moving on to head the Electrical, Radio & Machine Workers.

Fitzmaurice remarked at the solidarity PATCO members were displaying in the face of great odds. He urged the strikers to stand fast against the legal and punitive actions the Administration was taking. "Strikes aren't won in the courts," he reminded them. "They're not won on television. They're won on the picket line."



PICKET LINE at Chicago's O'Hare Airport took on a family day atmosphere as children of striking Air Traffic Controllers joined in with AFL-CIO President Lane Kirkland and Executive Council members in a demonstration of support.

When the speaking and handshakes had ended, the personal messages of support conveyed, the Washington passengers reboarded their bus for a short drive to the picket line at the air traffic control center in nearby Oberlin.

There the iron authority of the federal government was blatantly on display. A temporary restraining order issued by the federal court in Cleveland restricted picketing to six persons along grass pathways rigidly demarcated by day-glo orange pylons. U.S. marshals were camped inside the gatehouse and patrolled the entrance to guard against deviations.

Kirkland and his wife, Irena, along with Blaylock, Fitzmaurice and federation staffers, relieved the pickets for tours on the line. They were cheered on by the crowd across the road, gathered in the parking lot of a supermarket whose manager had braved the ire and rebuffed the complaints of FAA officials to permit PATCO to use the lot as a staging area.

PROVISIONS FOR the remainder of the journey were restocked at the market and Georgia Dunfee of Sec.-Treas. Tom Donahue's staff, who served as a combination supply officer and wagon master, managed to round up pizzas and beer.

* * *

"On to Pittsburgh!" The cry came half in jest from Rex Hardesty of the Dept. of Information staff who worked the phones with Leyden at each stop to get word out. The response at first was scattered laughter, but then the question again posed itself: why not? The only real problem was whether the bus could make it to the headquarters of the Pittsburgh PATCO local at a reasonable hour of the night.

At the next stop, the timing was checked out with the new driver, Cindy Kvamme, and more phone calls were placed.

A SCOUTING PARTY met us at the Beaver Falls exit of the Pennsylvania Turnpike and guided the bus through suburban towns to the VFW hall in Sewickley. There members of PATCO's Pittsburgh Local 245 had gathered with their families for a dinner rally to hear reports of the strike's progress. They had remained at the hall long after the scheduled close of the rally when they learned that the caravan bound for Washington would stop by.

Leyden was greeted by old friends from his days at PATCO's helm—Local 245 President Ed Wintermeyer and Vice President Roger Flaherty among others. He told them of "the solidarity, the strength and the resolve" he had seen on the PATCO lines in Chicago and Cleveland, and he insisted: "You will prevail. You will win."

Kirkland congratulated the assembled strikers for carrying on a courageous battle for justice.

"You're exercising a basic human right which no legislature or no tool of employers in the country can override by law," he declared. "There is a concept of natural rights that underlay the creation of this country, and Thomas Jefferson expressed it when he swore eternal enmity to every form of tyranny over the mind of man.

"YELLOW-DOG contracts are one form of tyranny," Kirkland observed, "whether they're put in by government regulation or private power. The trade union movement fought them for a hundred years in private employment, and now we're fighting them in public employment."

Again, Kirkland spoke directly to the many strikers' children in the crowded hall and told them they would "look back on this day as a moment when you found out just what great people" their parents were.

"They're fighting for their brothers and sisters," he said. "They're fighting to make a tough job a better job for their brothers and sisters and for all those who come after them to work in that job. That's what the trade union movement is really all about."

To the strikers themselves, the AFL-CIO president declared:

"We're with you in spirit. We're with you in any way and every way that it's possible to be with you. And we're proud to be amongst you and to have this chance to join you."

Blaylock again reported on the rising level of support for the PATCO strikers among federal employees across the country. On the question of legality, he pointed out that if the government had observed the intent and principles of the federal pay comparability act, wages would not be an issue in the controllers' strike.

Before closing, Blaylock read a hand-printed letter to the President from seven-year-old Tiffany Lynn Sanko, daughter of one of the Pittsburgh strikers:

"YOU CAN TAKE away our money. You can take away our car. You can take away our house, but you can go too far. You can't take away our special love from me and my family."

Leaving the hall at close to 11:30 p.m., the Washington group was pressed with expressions of thanks from the strikers and their families.

"We're so grateful to you for coming out of your way," one young wife said as she presented her two youngsters to shake the hand of an AFL-CIO staffer. "This has been a real boost. You don't know how much it means to us."

After a pause, the reply came: "Not nearly as much as what you're doing means to us."

* * *

IT WAS A subdued group of travelers that began the final leg of the return trip. A new driver, Angelo Maccagnan, gave a time check for the benefit of those who wanted to make last-minute entries in the arrival pool.

Reading lights were turned off one by one. It began to rain, and the rhythmic slapping of the windshield wipers helped some to catch a little sleep. But soft conversations continued among seat mates as they reflected on the events of the day and the images left by the faces of the strikers, faces that reflect firm determination, yet traces of anxiety.

It had been a day of renewal, another replenishment of the spirit of solidarity.

The first hint of dawn appeared in the East as the bus reached Rockville, Md., on the outskirts of Washington, and daylight broke through as it wound its way through the city's streets.

ARRIVAL TIME at AFL-CIO headquarters was 5:43 a.m., our driver reported, which meant that Ken Young, executive assistant to Kirkland, had won the pool.

There were suggestions along the way that the journey deserved a name. "A Ride for Freedom, Justice and Human Rights" was one proposal. "A Ride for Fair Play" was another. They didn't seem to catch on. In days to come, those who were there will recall it simply as "the bus trip." That will be enough.

Elevator Constructors Vote To Allow Per Capita Step-up

Seattle—Convention delegates gave the executive board of the Elevator Constructors authority to raise monthly per capita payments 50 cents each year, beginning next Jan. 1. The present rate is $5.90 a month.

There will be no change in the separate defense fund payments, which remain at 30 cents a month.

President Everett A. Treadway was re-elected to his second five-year term by acclamation, as were Sec.-Treas. John N. Russell and Jerome A. Mullett, assistant to the president.

The 298 delegates also re-elected five of the union's incumbent vice presidents. Of the three new vice presidents, Russell Hansborough of Washington, D.C. was elected without opposition. In contested elections, the Canadian delegation elected J. Warner Baxter, regional director for Canada, over incumbent William J. Morran, and Richard Scariot of Miami defeated LeRoy Phillips.

Elected to the union's labor committee, which will oversee standard contracts for the next five years, were George Popp, Jr., of Baltimore, A. H. Schumann of Houston, John DeRosa of New Haven, Conn., and James Hale of Chicago.

Major convention speakers included President Robert A. Georgine of the AFL-CIO Building & Construction Trades Dept. and Washington Lt. Gov. John Cherberg.

USWA Files For Vote at 14 DuPont Plants

Pittsburgh—The Steelworkers have filed petitions for representation elections at 14 DuPont plants employing some 12,000 workers.

The petitions, filed with the National Labor Relations Board in Washington, mark a major step in the union's campaign to organize the multi-billion-dollar conglomerate headquartered in Wilmington, Del. The firm employs about 65,000 workers at plants across the nation.

STEELWORKERS President Lloyd McBride said that the petitions seek representation elections at DuPont plants in Old Hickory, Tenn.; Chattanooga, Tenn.; Kinston, N.C.; Cape Fear, N.C.; Belle, W.Va.; Newark, N.J.; New Johnsonville, Tenn.; Willow Bank, Del.; Florence, S.C.; Germay Park, Del.; Cleveland, Ohio; Newport, Del.; Martinsburg, W.Va., and Gibbstown, N.J.

USWA Organizing Director John L. Oshinski said that the petitions were filed in Washington rather than at NLRB regional offices because the union wants to consolidate the petitions to avoid duplication of proceedings, and to achieve a uniformity in scheduling of election dates, tallying of ballots, and rules and regulations governing the elections.

"THE EXTRAORDINARY union-busting strategy employed by DuPont calls for rigorous election procedures to give DuPont workers a fair opportunity to make their choice," Oshinski said.

Oshinski said top DuPont executives in Wilmington dictate the company's labor relations, denying workers the right to companywide bargaining, thereby forcing them to negotiate at the plant level—where, in some cases, there are independent local unions with meager resources and, in other cases, no organization whatsoever to represent the workers.



BACHELOR OF ARTS degrees, awarded by Antioch University in cooperation with the George Meany Center for Labor Studies, are presented to the six newest graduates of the independent labor studies curriculum. The seven-year-old degree program recognizes experience in the labor movement as well as earned college credits. Thirty union leaders have earned college degrees in the program which now has more than 125 students enrolled. At the most recent graduation ceremonies, from left, Michael Anderson, Antioch registrar; Russell Allen, the center's deputy director; Lana M. Katz, Office & Professional Employees Local 2 shop steward at the Government Employees headquarters, Washington, D.C.; Paula O'Connor Pierce, information director, American Federation of Teachers, Washington, D.C.; Christel Manz, chief steward, Machinists Local 1259, New Holstein, Wis.; Jeanna Belkin, vice president, Actors' Equity, New York; Lawrence M. Slay, Jr., apprentice coordinator, IBEW Local 1547, Anchorage, Alaska, and Jacqueline Brophy, the center's degree coordinator. Not shown is Thomas C. Melisko, business agent, Operating Engineers Local 66, Pittsburgh.

Plumbers & Pipe Fitters Delegates Elect Martin Ward to 3rd Term as President

Las Vegas—Carrying his whole slate with him, Martin J. Ward was re-elected to his third consecutive five-year term as president of the 350,000-member United Association of Plumbers & Pipe Fitters by the more than 3,700 delegates attending the largest general convention in UA history.

Ward defeated Joseph Mazzola of San Francisco, 2,368 to 1,222 in voting machine secret balloting which decided the contest for two of the six vice presidencies and for three international representatives' positions.

Sec.-Treas. Joseph A. Walsh was unopposed for his election to a second five-year term. So were executive board incumbents Donald T. McNamara of Detroit, Edward F. Brabec of Chicago, Joseph L. Arsenault of Fairfax, Alaska, and J. Russell St. Eloi of Ottawa, the UA's Canadian director.

VICE PRESIDENT John J. Murray of New York turned back a challenge of George Daly, 1,899 to 1,595 and Vice President Thomas C. Payne of Atlanta was re-elected to the executive board over C. Randy Gardner, 1,891 to 1,593.

In his keynote address, Ward stressed the traditional trade union values of honesty and integrity. These are not worn out attributes, he said. They stand in opposition to the all-too-prevalent attitudes of "me first and anything goes"—attitudes which, he said, weaken the union and diminish the motivation of members to do their best on the job and in the union hall.

Ward said that jobs must be regarded as the highest priority. Local organizing and collective bargaining activities are the backbone of this effort, he said. Supplementing these efforts are national agreements and the need for members to actively join in the drive to organize non-union contractors. He added that contract maintenance agreements are another important area of job opportunity.

THERE ARE three major difficulties presently affecting all working people, Ward said. They are the economic situation with its high interest rates and inflation, the political attacks on social protections and legislative advances labor has worked for, and the shift in public opinion toward a more conservative pro-business bias.

President Robert A. Georgine of the AFL-CIO Building & Construction Trades Dept., one of the principal speakers at the convention, announced that Ward will head a new BCTD committee.

Georgine said Ward's committee will explore possibilities of establishing a coalition of labor contractors, manufacturers, suppliers and the designer professions that would identify the critical issues facing the construction industry in the 1980s.

Georgine also called on building trades unions to direct the investment of their pension funds so they benefit members by providing union work.

Labor Studies Center Lists Courses for 1981-82 Term

The George Meany Center for Labor Studies has published a new catalogue for the 1981-82 academic year offering 56 institutes, workshops and programs. The courses are open to all full-time union officers, representatives and staff of AFL-CIO affiliates. There is no charge for tuition.

In this 13th year of the center's operation, AFL-CIO affiliates have scheduled 57 other training programs, many co-sponsored by the George Meany Center.

AFL-CIO PRESIDENT Lane Kirkland, in a foreword to the catalogue, urges every union "to use this facility to the utmost."

This year's catalogue indicates that the center's most popular subjects continue to be organizing techniques, grievance arbitration and collective bargaining.

The five-day basic institute on organizing techniques will be offered six times during the school year. There's also a two-week advanced organizing workshop. Grievance arbitration preparation and presentation is offered five times, twice at the George Meany Center and once each at state universities in Colorado, Illinois and Oregon.

Collective bargaining is the subject of four institutes this year: two on public sector negotiations, one on private sector negotiations and one on new developments in collective bargaining.



Two institutes are scheduled on labor law for union officers.

Under the heading, Leadership Development, five study programs are offered: basic skills for union leaders, psychology for union leaders, union administrator and business agent, effective speaking and a two-week program for new staff.

At the direction of the Executive Council, the center is offering seven three-day sessions on pension fund investments. Two will be at the Silver Spring campus, the others at five regional locations.

Tool courses are being offered in audio-visual techniques, education techniques, grantsmanship for union leaders, newswriting and editing for union publications, media relations for union officers, and public communications for public employee unions.

With the Building & Construction Trades Dept., the center has scheduled institutes for building trades business agents at the Silver Spring campus and at Michigan State University and the University of Oregon.

THREE COURSES have been developed to help officers of unions using or considering the use of computers. They are introduction to computers, advanced computer workshop and "mini" computers for local unions.

The year will end on a musical note next June when the center will sponsor The Great Labor Song Exchange, a three-day workshop and coaching session designed to preserve and promote labor's inspiring musical tradition.

The charge for room and board at the Silver Spring campus is $60 a day. Copies of the catalogue are available on request to Fred K. Hoehler, Jr., director, George Meany Center for Labor Studies, 10000 New Hampshire Ave., Silver Spring, Md. 20903, Telephone (301) 431-6400.

Pilots Supported in Effort To Put Pressure on N.Y. Air

The Air Line Pilots stepped up a corporate campaign against New York Air with assistance from the AFL-CIO in locating unions that may have funds invested in the non-union airline, its holding companies, creditors and stockholders, and corporations represented on its board of directors.

This latest action is another step in bringing pressure on New York Air to recognize an existing contract between ALPA and Texas International Airlines, its corporate sibling. Both airlines are owned by Texas Air Corp., which in turn is held by Jet Capital Corp. Frank Lorenzo, a Texas-based entrepreneur, is the controlling individual behind all four companies.

IN A LETTER sent to 27 affiliated unions which may have pension fund investments or other dealings with the cited companies, AFL-CIO President Lane Kirkland asked for their cooperation as "part of the AFL-CIO's efforts to assist the Air Line Pilots Association . . . in its fight to prevent the establishment of a non-union airline by Texas International Airlines."

Last February, the AFL-CIO Executive Council branded New York Air "unfair" and termed it "unworthy of union support through investment or stock purchases."

ALPA maintains that its contract with Texas International also applies to New York Air. The New York operation was spun off using profits, aircraft and personnel from Texas International, but unlike its sister airline, is totally non-union. A coalition of unions representing Texas International employees has charged Lorenzo with setting up a runaway shop to avoid existing labor contracts.

Pickets from ALPA, the Flight Attendants, the Transport Workers, and the Machinists have been passing out boycott information on New York Air at airports used for its flights.

AFL-CIO Convention Slated to Open Nov. 15

The 14th Constitutional Convention of the AFL-CIO will take place in New York City, beginning Nov. 15, 1981.

The meetings of the convention will be in the Sheraton Centre Hotel.

OSHA Proposal Criticized

Rule Change Threatens Access to Health Data

The Occupational Safety & Health Administration is proposing to erect stiff monetary barriers to workers and their unions seeking access to workplace health records and data on exposure to toxic substances.

This is all a part of the proposed "interim modification" of the OSHA standard on Access to Employee Exposure & Medical Records that was issued by the Carter Administration in May 1980.

AS OUTLINED by Assistant Labor Sec. Thorne G. Auchter, the standard would be modified by "strengthening" the trade secret protection provisions of employers. This could be achieved, Auchter suggested, by allowing employers to establish monetary penalty clauses in confidentiality agreements employees must sign before gaining access to their records.

George H. R. Taylor, the AFL-CIO's job safety director, warned that the proposed changes in the regulation could effectively block access to medical records and scientific information sought by a worker's physician or union.

By using the trade secret provision as a shield, employers could withhold all types of pertinent information, Taylor said. "A trade secret could be anything they declared it to be."

Sheldon Samuels, safety director of the Industrial Union Dept., expressed concern that the proposed confidentiality agreement could halt the release of all information on workplace hazards by employers.

He said the monetary penalty clause could make both workers and their unions liable in civil suits that could add up to millions of dollars in damage payments.

IN ADDITION to proposing the changes in the standard, OSHA asked a federal appeals court to delay for six months a briefing schedule on the challenged regulation until next February while the agency reviews its provision.

Industry groups, including the U.S. Chamber of Commerce and the Chemical Manufacturers Association, sought to block implementation of the regulation largely on the argument that its provisions inadequately protected trade secrets.

The IUD had sought in a court suit to strengthen the original standard so as to assure union-designated physicians access to workplace records.

The access standard now permits workers to examine and copy their own medical and toxic exposure records. It also allows union representatives access to the records of a particular employee if they have written consent from the worker.

ACCORDING TO an AFL-CIO analysis of the standard, trade secret data that disclose manufacturing processes or the percentage of a chemical substance in a mixture may be withheld, but sufficient alternate data must be provided to evaluate the chemical.

Employers may also require a written agreement from workers or their union when releasing so-called trade secret information that prohibits the misuse of the data. The standard presently does not permit monetary sanction clauses in the access agreements.

OSHA to Keep Cancer Expert

(Continued from Page 1)

view of the chemical, which is used in a number of industrial processes.

An estimated 750,000 workers are exposed to formaldehyde on the job, according to Director George H. R. Taylor of the AFL-CIO job safety department who had warned that the firing of Infante would have a chilling effect on OSHA's professional staff.

THE CONTROVERSY over Infante began after OSHA halted distribution of a NIOSH warning bulletin on the possible health risks of the chemical and Infante aired his personal views on the formaldehyde hazard in a letter to the International Agency for Research on Cancer. Infante's letter did not mention OSHA's position on the formaldehyde issue.

In his letter to Infante, Auchter admitted that the cancer expert may not have been appraised of "my policy decision not to take immediate regulatory action on formaldehyde" in dismissing the charge of misrepresenting the position of OSHA.

Transportation, Health Costs Push Up Budget for Retirees

The typical retired couple last year required 10.2 percent more income than the previous year, the Bureau of Labor Statistics reported.

In its annual updating of three hypothetical budgets for a retired man and wife, BLS said that a couple living on an "intermediate" budget needed $9,434 in the year that ended last November.

COUPLES ON a lower-level budget needed $6,644, or 10.3 percent more, while those on a higher budget needed $13,923, or 9.9 percent more. BLS said these were the largest increases in the cost of living for retired people since 1974, when the comparable increases ranged from 11 to 11.5 percent.

The 1980 inflation rate was 12.6 percent, while living costs from last November to June have risen 6.8 percent.

Higher costs for transportation and medical care were the major factors in raising last year's budgets, BLS said. Transportation costs rose about 16 percent for the lower and intermediate budgets and 14 percent for the higher budget. Medical care prices also rose sharply, increasing costs approximately 13 percent at all three levels.

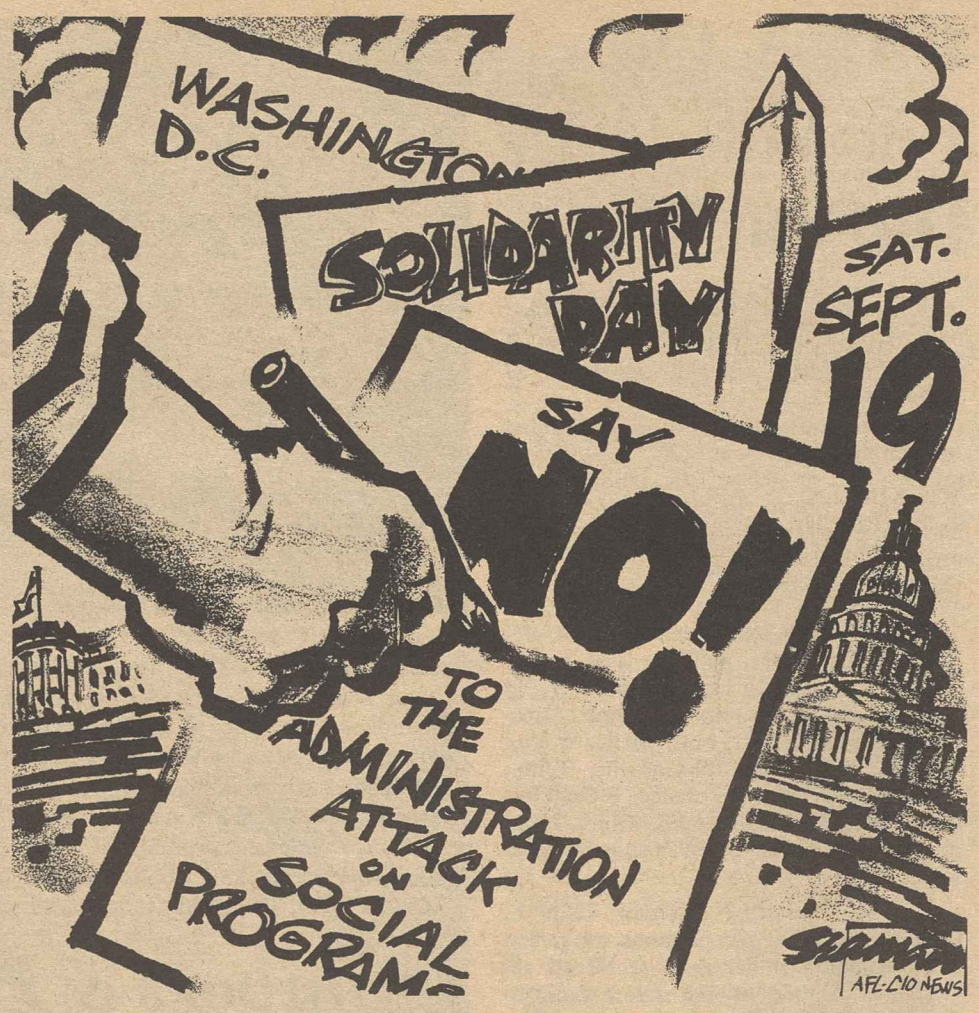
BLS HAS calculated the hypothetical budgets at three economic levels for typical retired budgets for the last 15 years, adjusting them each year to reflect increases in the cost of commodities and services. The couples include a husband age 65 or over who are assumed to be self-supporting and living in an urban area. The figures assume no payment of income taxes and paid-up mortgages where homes are owned.

Food costs at all three levels rose 10.6 percent last year. Personal care costs increased by 8.9 percent while clothing went up 4.8 percent.

BLS said that a couple living on an intermediate budget would spend 33 percent of its income on housing, 29 percent on food, 10 percent on medical care, and 10 percent on transportation.

8/15/81

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Blaylock Protests Cutback In Federal Comparability Pay

Government Employees President Kenneth Blaylock charged that the Administration's decision to give federal white-collar workers less than one-third of what the President's Pay Agent has determined they need to make their salaries comparable to those in the private sector is "not only unfair, but totally insensitive."

The Pay Agent, a statutory body comprised of Labor Sec. Raymond Donovan, Director David Stockman of the Office of Management & Budget and Director Donald Devine of the Office of Personnel Management, found that overall salaries of white-collar government workers would have to be raised by an average of 15.1 percent to reach the same salary level as their counterparts in the private sector.

DESPITE THE finding by its own agent, the Administration is limiting salary increases for government employees this year to 4.8 percent. The increase is scheduled to take effect Oct. 1.

"Essentially, President Reagan is asking federal workers to bear the brunt of a bad economy while ignoring the fact that people who work for the government suffer from high inflation just as severely as people who work for private industry," Blaylock observed.

Blaylock, joined by the presidents of the unaffiliated National Treasury Employees Union and the National Federation of Federal Employees, said in a letter to the Pay Agent that the Administration's "curious logic" shows that "they know the price of everything but the value of nothing."

"It's no wonder that the best brains are being beaten out of government, and frustration is mounting for those who feel compelled to remain and continue performing services for the public," he said. Blaylock pledged that AFGE will continue its fight on Capitol Hill for congressional relief for federal workers.

The Pay Agent's salary increase recommendation is part of the pay-setting process involving federal white-collar workers. It is based on a survey taken in March of each year by the Bureau of Labor Statistics comparing private sector and government workers' pay and responsibilities. Pay comparability between the groups was mandated by the 1971 Federal Pay Comparability Act.

Minnesota Accord Won for 14,000

(Continued from Page 1)

strike, but all of them are being dismissed as a result of the settlement.

ATTEMPTS BY state officials to require professional employees not in the bargaining units to do the work of striking employees led to a successful lawsuit by the Minnesota Association of Professional Employees and the State Residential Schools Education Association. They won a court order barring the state from reassigning professionals to do the work of strikers.

AFSCME Council 6 Director Bob Currie said state officials expressed surprise at the determination and solidarity of the strikers. "They didn't think so many of our members would go out on strike, or that we would be out this long," he said.

Radio Spots Air Concerns On Social Security Cuts

"Would you have voted for your senators or representative if they had said they were going to cut social security benefits? Because now that they are in office, they may be considering those proposals to cut social security payments, to cut aid to the disabled, to cut early retirement benefits. Things they wouldn't have dared speak about when they were running for office. Listen to what they are saying now and make them listen to you. Write them."

That's one of three 30-second "Save Social Security" radio commercials being sponsored by AFL-CIO central bodies and unions in cities throughout the nation.

In a letter to union groups enclosing cassettes of the messages and urging local sponsorship, AFL-CIO President Lane Kirkland said the AFL-CIO is airing them in Washington, "but that's not enough. They must be heard throughout the nation . . . and the word gotten to Congress."

Special Fund to Aid PATCO Strikers' Families

By James M. Shevis

The AFL-CIO has set up a special fund to help the families of striking Professional Air Traffic Controllers meet severe financial problems.

Announcement of the fund by Federation President Lane Kirkland and Sec.-Treas. Thomas R. Donahue came as the American labor movement continued, by word and deed, to demonstrate its support for the PATCO strikers in the face of repressive government measures against them.

KIRKLAND AND Donahue, in a letter to AFL-CIO affiliates and central bodies, condemned the government's actions as "harsh and vindictive" and noted that many of the PATCO members and their families are now "beginning to confront individual financial burdens."

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LABOR'S CENTENNIAL AFL-CIO 1881-1981

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"We have, therefore, decided to establish an assistance fund for discharged Air Traffic Controllers and their families."

Checks for the fund should be made payable to the PATCO Family Fund. It will not be used to pay strike benefits, the letter said, but to assist in specific cases of pressing financial need. Trustee for the fund will be Msgr. George G. Higgins.

Kirkland and Donahue also stressed that the AFL-CIO continues to call on the Reagan Administration to resume bargaining in an effort to settle the dispute.

"Massive firings, federal indictments, and continued harassment will not provide America with the safe and adequate air transportation system it requires," they said. "What is needed is a return to the bargaining table and an equitable resolution of the problems.

"UNTIL SUCH a settlement is reached, the AFL-CIO calls upon its affiliated unions and their members to help provide aid to the families of the discharged air traffic controllers."

Creation of the special fund was announced following a special meeting of the AFL-CIO Public Employee Dept. executive board at which Kirkland joined PED President Kenneth Blaylock, other department officials and union leaders from outside the department in a wide-ranging discussion of ways to deliver aid to PATCO strikers and their families.

(Continued on Page 2)



SUPPORTERS OF THE nation's striking Air Traffic Controllers demonstrate across from the White House at Washington's Lafayette Park as organized labor stepped up its efforts to aid the union. The rally, sponsored by the Greater Washington AFL-CIO, drew hundreds of sympathizers.

Rule Changes Hit As Bid to Sabotage Wage Protections

By David L. Perlman

New regulations proposed by the Labor Dept. would sabotage the prevailing wage protections of the Davis-Bacon Act and the Service Contract Act, the AFL-CIO warned.

AFL-CIO Research Director Rudy Oswald challenged the claim by Labor Sec. Raymond J. Donovan that the department's "regulatory reform" proposals "could significantly reduce the cost of government construction and service contracts."

ANY SIGNIFICANT savings, Oswald said, would require flouting the intent of the two worker protection laws. He said the AFL-CIO will present its detailed objections during the 60-day period allowed for public comment before the Labor Dept. takes final action.

President Robert A. Georgine of the AFL-CIO Building & Construction Trades Dept. said the proposed changes in Davis-Bacon in effect would "repeal by administrative fiat" the 50-year-old prevailing wage law.

"It will mean a return to exploitative, cut-throat competition that forces workers to work for substandard wages," he asserted.

PREVAILING WAGE rates on federally funded construction are now based on the rate received by the largest number of workers in the job classification being surveyed, provided they constitute at least 30 percent of all workers in that classification.

The Labor Dept. proposes to raise the 30 percent requirement to 50 percent. If no rate were received by at least 50 percent of the workers in the survey area, the average wage would be used.

Open-shop contractors have pressed for years for abolition of the 30 percent rule, contending that it tends to establish union wage scales as the prevailing standard.

ANOTHER PROPOSED change would encourage the use of semi-skilled "helpers" and allow contractors to use one "helper" for every five journeymen on a contract. The Labor Dept. also would allow contractors to submit a weekly compliance statement instead of actual payroll records to show they have followed the law.

"The overall result is to emasculate enforcement," Oswald protested.

Georgine charged that the "helper" provision would "destroy the long time policy of the government of encouraging apprenticeship by substituting cheap and untrained helpers, even where this is not the prevailing practice."

The Reagan Administration proposals are substantially more drastic than regulatory changes that had been recommended by the Carter Administration before it left office following extensive discussions with all concerned groups.

THOSE CHANGES included some that had been sought by contractors, but did not alter the 30 percent rule for determining the prevailing rate.

The new proposals go a long way to

(Continued on Page 6)

$27.5 Billion Loss

Business Tax Giveaways Threaten State Revenues

States stand to lose as much as $27.5 billion in reduced income tax receipts over the next six years as a result of recently enacted changes in the way businesses are allowed to calculate depreciation write-offs for federal tax purposes, according to a study by Citizens for Tax Justice, a coalition of labor and public interest groups.

By 1986, the study shows, the annual cost to the states could reach $10.2 billion —including a 38 percent reduction in corporate tax collections. In later years, the costs are expected to continue to escalate.

THE ESTIMATED revenue losses reflect the total amount by which state income taxes would be cut if the 45 states with income taxes, plus the District of Columbia, choose to conform their laws to the Reagan Administration's so-called "Accelerated Cost Recovery System"—or "10-5-3" as it is commonly known. The 10-5-3 plan was part of the tax bill approved by Congress before the August recess.

Twenty-five states will automatically conform to the federal changes unless they take steps to amend their current tax statutes. Revenue losses in these states—which include such major industrial states as New York, Pennsylvania, Illinois, Ohio and New Jersey—will exceed $15 billion between 1981 and 1986, the study found.

For 13 other states, conformity to the new federal depreciation law would require special legislation. These states could avoid the projected revenue losses by maintaining their current tax laws. But there is likely to be substantial corporate pressure for change.

SIX OTHER states and the District of Columbia have in the past generally conformed to prior federal depreciation rules by regulation. Since the statutes in these jurisdictions typically provide that depreciation deductions be "reasonable," adoption of the federal rules could be challenged as "an abuse of discretion," according to Dean Tipps, executive director of the tax justice coalition. He pointed out that the new federal depreciation laws are almost universally conceded to be unrelated to any reasonable concept of actual depreciation.

Tipps noted that the Reagan Administration's federal tax program "is designed to shift almost all of the tax burden onto

(Continued on Page 2)

OSHA Studies Ways to Soften Key Standards

A series of options for the Occupational Safety & Health Administration to consider in dealing with lead and cotton dust exposure standards upheld by the Supreme Court in June are blueprinted in a memorandum prepared by the Solicitor's Office of the Labor Dept.

The memorandum evaluates—and assesses the potential impact on the Reagan Administration—of OSHA's seeking to soften the standards through new "rule making" and the possibility that it might "moderate" them administratively through enforcement methods and procedures.

THE FULL TEXT of the memorandum was published Aug. 3 in the Legal Times of Washington, a weekly newspaper for attorneys.

The memorandum expresses concern

(Continued on Page 8)

Mexican Labor Denounces Reagan 'Guest Worker' Plan

Mexico City—Mexico's trade union federation wants no part of the Reagan Administration's proposal to bring up to 50,000 Mexican nationals into the United States each year for stays of from 9 to 12 months in designated work areas.

A "Manifesto to the People," signed by President Fidel Velasquez of the Mexican Federation of Labor, charged that the guest-worker plan would lead to further exploitation and second-class status for Mexican workers in the United States.

The manifesto, published in Mexican newspapers, said the Reagan proposal would convert Mexican workers "into the biggest strategic labor reserve in contemporary history, subject to super-exploitation and servitude."

Velasquez was a guest at the AFL-CIO Executive Council meeting in Chicago earlier this month, when the council expressed concern that a guest-worker influx would undermine U.S. wages and working conditions.

The Mexican labor federation manifesto also strongly criticized provisions of the Reagan proposal that would require guest workers to pay social security and other taxes, but leave them ineligible for unemployment benefits, food stamps and other forms of assistance.



SUPPORT FOR STRIKING Air Traffic Controllers was pressed at a meeting of the AFL-CIO Public Employee Dept.'s executive board in Washington. With leaders of unions outside the department also participating, the special meeting centered on ways to meet the financial needs of PATCO members. PED President Kenneth Blaylock, AFL-CIO President Lane Kirkland, and PATCO President Robert Poli are at the head of the table. Those at the meeting unanimously called on the government to get back to the bargaining table and negotiate with the controllers.

Aid Pressed for Strikers' Families

(Continued from Page 1)

Taking part were leaders of the nation's major federal, postal and state and local public employee unions, including PATCO President Robert Poli, and AFL-CIO field staff members.

Poli thanked the union leaders for their demonstrations of support, and reaffirmed that PATCO's 12,000 striking members are totally committed to a united stand.

"IF THEY EVER went after organized crime in this country the way that they went after the controllers," Poli said earlier on CBS-TV's Face the Nation broadcast, "it would be a lot safer place to live." PATCO members have been shackled, put in jail, and indicted on criminal charges in 21 cities for violating a law banning strikes by federal employees.

Meanwhile, a federal hearing officer recommended an order revoking PATCO's status as exclusive bargaining agent for the controllers, but refused to issue an order permanently barring PATCO from such status. Attorneys for the Federal Labor Relations Authority, which oversees labor-management relations in the federal government, had sought the order revoking the union's bargaining rights permanently, but FLRA Administrative Law Judge John H. Fenton said it would amount to "a death sentence—industrial capital punishment." Fenton's decision gives PATCO until Sept. 14 to file exceptions.

THE FLRA IS still investigating PATCO's complaint, filed with the agency on Aug. 10, that the government had committed an unfair labor practice by refusing to bargain in good faith in the contract negotiations earlier this year. The controllers' agreement with the Federal Aviation Administration, which employs them, expired on Mar. 15, and they have been trying since January to negotiate a new pact reducing their work week, providing for earlier retirement and increased wages.

In his CBS-TV interview, Poli praised the American labor movement for giving PATCO "tremendous support." Numerous unions are urging members to refrain from taking flights and money is being contributed to a legal defense fund by many unions, he noted. PATCO's funds are frozen by a lawsuit in New York brought by the American Transport Association.

LABOR HAS rallied across the country to the cause of the striking controllers. Four hundred members of 31 different unions marched in picket lines at Kennedy International Airport on Long Island in one demonstration.

Labor support for the controllers has taken a variety of forms. Worker groups in Chicago are supplying food to PATCO members and their families. In Madison, Wis., they have set up a "rumor hotline" to advise the public and the media of the true situation in the dispute and the issues involved. In major urban centers, union members have joined PATCO pickets or spelled controllers on picket lines and acted as babysitters while parents marched on the lines.

IN ALBANY, N.Y., members of the New York State Public Employees Federation joined controllers on their picket line at the Albany County Airport. The organization represents some 48,000 professional, scientific, and technical state workers. PEF President John J. Kraemer said members of his organization regard the government's attack on PATCO as "an attack on all public employees and an attempt to deny public-sector professionals the semblance of collective bargaining it took so long to achieve."

As an expression of solidarity, the Fire Fighters postponed until Dec. 2 a Chicago workshop that would have brought in 300 delegates from all parts of the country.

RUBBER WORKERS President Peter Bommarito, urging a renewal of talks between the government and PATCO, warned that "no one can win in the situation as it stands. Collective bargaining is the answer to this very serious problem. PATCO must have some way to adjust its grievances."

Harris Poll Shows Support For Aims of Air Controllers

Sixty-three percent of the American people believe that the Air Traffic Controllers have "legitimate reasons" for striking, according to the findings of a Louis Harris poll.

A 58 to 35 percent majority of those surveyed said they believe that PATCO's claims that controllers suffer from the effects of extreme job stress are true and are justification for the union's demands for change.

THE POLL RESULTS, which appeared in the Washington Post and other newspapers, show that a substantial majority of Americans—71 to 26 percent—think that actions by foreign air controllers which have curtailed some flights in and out of the United States for safety reasons make it "more urgent than ever" that the government and the union negotiate a settlement.

Overall, the Harris poll found, only a 51 to 40 percent margin of the public sympathizes more with the Reagan Administration than with PATCO over the strike. About 69 percent felt that President Reagan's firing of the striking controllers was justified in the light of the no-strike oath government workers are required to sign.

But the public split evenly, 48 to 48 percent, over the question of whether all strikes by public employees should be banned.

THE POLL also found that a majority of union members, 52 to 39 percent, are more sympathetic to PATCO's position than to the Administration's. By a dramatic 73 to 17 percent, blacks said they sympathized with the controllers' plight.

Also favoring the controllers' position were 46 to 43 percent of women, 52 to 44 percent of white collar workers, 54 to 37 percent of Democrats, 49 to 45 percent of residents of the East and 47 to 42 percent of high school graduates.

The conclusions drawn by Harris are that the public has "a fairly widespread sympathy" with the health and safety claims of air traffic controllers. However, public concerns about the justification of the strike snag on the question of the no strike oath.

The public believes overall that the Administration should change its stand and return to the bargaining table, Harris said, and that the "proper way" to settle the strike is to correct the hazards. The results also indicate that the public would be more inclined to feel that "justice had been served" if the strike was settled by an agreement fair to PATCO members.

AFL-CIO Convention Slated to Open Nov. 16

The 14th Constitutional Convention of the AFL-CIO will take place in New York City, beginning Nov. 16, 1981.

The meetings of the convention will be in the Sheraton Centre Hotel.

States Facing Big Drop in Tax Revenue

(Continued from Page 1)

working people." He pointed out that corporations will receive over $500 billion in federal tax benefits over the next ten years, "virtually eliminating the corporate income tax as a significant federal revenue raiser."

"MOREOVER," he noted, "other taxes on investment income are also being slashed under the Reagan program." He cautioned the states not to follow the federal lead, "which can only result in more and more resentment on the part of average taxpayers who will be asked to shoulder the entire tax burden. What the states may face if they conform to the federal rules is a serious tax revolt."

Public debate in the states over whether to conform with the new federal rules seems likely to focus on the alleged problem of taxpayer compliance with two different systems of depreciation.

Tipps suggested that this is "a bogus issue." He noted that the federal government will continue to use its prior depreciation rules for a number of tax purposes, including cases in which taxpayers prefer the old system and situations in which property is used outside the United States.

"THE STATES could just as easily retain the old rules for all property," Tipps said.

"Alternatively," he noted, "states could avoid all so-called complexities by requiring larger companies to use the same depreciation for tax purposes that they use on their books—the system followed in Japan and Germany. Since these books must be maintained anyway, this solution requires absolutely no additional calculations."

Tipps said that if this second alternative were adopted, "it might also be reasonable to adopt the new federal rule allowing up to $5,000 in investments in depreciable property to be written off immediately"—an approach designed to aid small businesses.

Cascade Pilots Vote For ALPA Affiliation

Cascade Airways pilots have voted to join the Air Line Pilots Association. The official certification of ALPA as their bargaining agent followed completion of a mail ballot election in which 70 percent of the voting pilots chose the AFL-CIO affiliate.

Cascade, a large regional passenger and cargo carrier based in Spokane, Wash., employs 93 pilots. The group is the second to join since ALPA launched an organizing campaign last November. The pilots of Pacific Southwest Airlines joined last month.

IAM's Albert J. Hayes Dies, Helped Shape Labor Unity

Brookfield, Wis.—Albert J. Hayes, retired president of the Machinists and an architect of the AFL-CIO merger, died here at 81 after a stroke.

AFL-CIO President Lane Kirkland and Sec.-Treas. Thomas R. Donahue wrote warmly to Mrs. Hayes of her husband's contribution to the entire labor movement as well as to his own union.

"MILLIONS OF American trade unionists are better off because Al Hayes cared about them," they said.

Hayes began his long trade union leadership career in 1918, when he was picked by his fellow apprentices in the Milwaukee railroad shops to serve as chairman of the Apprentice Boys Committee.

He walked his first picket line in the 1922 railroad strike, just a few weeks after he was married. He held a series of local and national offices in the IAM, serving as president from 1949 until his retirement in 1965.

Hayes was a staunch believer in labor unity at a time when the AFL and CIO were rivals. Soon after he became president of the Machinists, he negotiated a no-raid agreement with the Auto Workers, which at the time was the IAM's chief competitor. Both represented large groups of aircraft workers.

THAT UAW-IAM agreement became a model for the no-raid pact that paved the way for the AFL-CIO merger in 1955. Hayes was a member of the joint AFL-CIO Unity Committee that worked out the merger. He was a vice president of the AFL-CIO from its founding to 1965, serving at various times as chairman of the Ethical Practices Committee and of the Internal Disputes Committee.

Hayes held numerous government and public service posts during his long career. Among his many public services was membership on the President's Commission on Health Needs, whose 1952 report launched the still-continuing debate on comprehensive and universal health care.

'Unity' Slate Wins

OCAW Delegates Elect Goss for Second Term

Denver—President Robert F. Goss of the Oil, Chemical & Atomic Workers and his "unity" slate won the four top elective offices of the union at the OCAW's 16th biennial convention.

Goss defeated Anthony Mazzocchi, director of the OCAW Health & Safety Dept., by a vote of 72,856 to 69,090. As vice presidents, the two had opposed each other for the presidency in 1979, with Goss winning by a narrow margin.

ELECTED secretary-treasurer was Michael Ricigliano, who had been director of the union's Collective Bargaining Dept. Calvin Moore, incumbent, and Joseph Misbrenner, Goss's executive assistant, were elected vice presidents.

Ricigliano succeeds Robert V. Palmer, who had served one two-year term. Ernest Rousselle, also elected in 1979, was defeated in his bid for re-election as one of the two vice presidents.

In support of the air traffic controllers' strike, the 850 delegates and 150 staff members used alternative means of transportation to the convention.

NORMAN HILL, president of the A. Philip Randolph Institute, traveled by train and bus to address the delegates. He reviewed the work of APRI during the general elections and offered his assessment of the current political situation. The institute was successful in getting approximately one million black voters to the polls in 1980, Hill noted.

Commenting on the "more conservative and anti-labor government" that resulted from last November's election, Hill noted that some political observers contend that voters are opposed to increased government intervention in the economy as well as government efforts to redress social inequities.

BUT HE pointed out that many public opinion polls indicate the people want greater expenditures for such programs as health and education, even if this means more taxes.

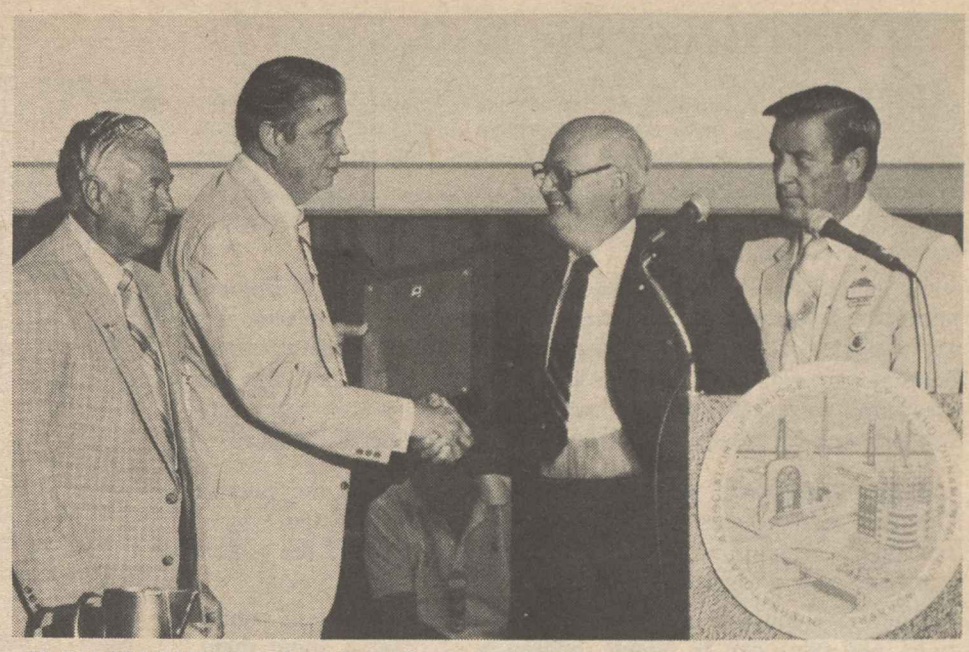
"Blacks and labor lost a number of friends in the 1980 election, but the major factor was not a shift away from labor's point of view," he said. "There was no massive rejection of the role of government as a mechanism for greater social equality.

"The loss of a number of friends in the Congress had less to do with issues involving one's view of the proper role of government, and more to do with a general discontent with the economic state of affairs and with concern about America's military strength," he said.

CRITICIZING President Reagan's cutbacks in social services and the recently enacted tax program, Hill said: "Clearly the Administration is not so much interested in getting the government off the backs of people as it is in getting government off the backs of corporations and the rich."

In convention action, the delegates turned down propositions that would have provided for election of district directors, three-year conventions, a simple majority to change the constitution instead of the present two-thirds majority, and a reduction in the number of districts from eight to six.

Rank-and-file members of the international executive board were elected by their respective districts: Kenneth Lord of Long Beach, Calif., Rex Donohue of Bacchus, Utah, Ralph Ames of Hampton, Va., Roy Barnes of Pasadena, Tex., John Sullivan of St. Louis, Alexander Perry of St. Paul, Minn., David Young of Detroit, and Angelo Augustino of Niagara Falls, N.Y. All but Ames, who defeated Charles Baker of Oak Ridge, Tenn., were re-elected.



IRON WORKERS helped Las Vegas fire fighters open up exits in last December's Grand Hotel disaster and lead occupants to safety. Fire Fighters President John A. Gannon says "thanks" with a plaque for the Iron Workers and the union's Las Vegas local. From left: Iron Workers Sec. Juel D. Drake, President John H. Lyons, Gannon, and Iron Workers Treas. Charles R. Anding.

Iron Workers' Convention Votes Per Capita Increase

Hollywood, Fla.—Delegates to the Iron Workers quadrennial convention here re-elected a veteran slate of officers by acclamation, approved a two-step raise in the union's per capita payment and directed a study of portable pension credits.

John H. Lyons, who has headed the 182,000-member union since 1961, was elected to a new four-year term, as were Sec. Juel D. Drake, Treas. Charles Anding and nine general vice presidents.

THE 1,100 DELEGATES overwhelmingly approved a constitutional change raising the per capita for "outside" locals by $2, to $8.15 a month, with another $2 increase on Jan. 1, 1984. The $2.50 rate for shop locals and Navy Yard riggers will rise $1 now and again in 1984.

Another change eliminated all references to gender in the union's constitution. Delegates approved an increase in the union's death benefits plan and discussed the problem of pension credits for members who work in different localities under various locally-negotiated pension plans and union-management agreements.

The convention approved a resolution calling for establishment of a committee of full-time union representatives to consider the problems and "make an appropriate recommendation to the local union trustees of Iron Worker pension plans." It said the goal should be to make pension benefits among the various local and district council plans "as portable as legally feasible."

FIRE FIGHTERS President John A. Gannon came to the convention to present plaques to the Iron Workers and especially the union's Las Vegas local for a life-saving assist during the MGM Grand Hotel fire last December.

Las Vegas Iron Workers used their wrecking bars to pry open locked hotel doors and their spud wrenches to open sealed windows for the aerial rescue of hundreds of guests. Working alongside Fire Fighters, they carried some 200 guests out of the hotel.

A unanimous convention resolution called on the government to "call off its punitive measures" against air traffic controllers and their union. It urged negotiations instead of "repressive" government policies.

PRESIDENT ROBERT A. Georgine and Sec.-Treas. Joseph F. Maloney of the AFL-CIO Building & Construction Trades Dept. warned of attacks on wage standards through administrative changes in Davis-Bacon regulations and in congressional threats for legislative repeal of the law.

Georgine said high interest rates have priced new homes beyond the reach of 96 percent of the population. Maloney, himself a member of the Iron Workers, warned of the new corporate efforts to "bust unions and promote the open shop."

Dr. Eula Bingham, who headed the Occupational Safety & Health Administration during the Carter Administration, expressed concern at the weakening of safety protections through regulatory retreats. She cited changes that she warned would erode an Iron Worker's right to refuse to climb high steel in freezing temperatures and high winds.

The weeklong convention was a family affair for the delegates, typified by a "three-tier" convention banquet. There was the traditional seated banquet for the adults in attendance, a steak and rock band affair for teens and a chuckwagon dinner and puppet show for the pre-teens.

Police Unions See Hazards From Impact of Budget Cuts

Chicago — Cuts in the federal budget and their effect on local communities and their police officers were a primary concern of delegates to the third convention of the International Union of Police Associations.

The delegates, representing some 30,000 law enforcement officers, passed a resolution expressing their opposition to the Administration's economic program and the deep cuts in social programs that had been funded by the federal government.

EXTENSIVE discussion centered on the effects these and other slashes in funds available to state and local governments will have on the economy as a whole, on government and on public employees.

The union, affiliated with the AFL-CIO since 1979, also held elections for executive vice presidents and area vice presidents from its 20 regions.

Mike Baker of Memphis, Tenn., was elected first vice president of the union over Jack Hawkins of Chicago.

Candidates for the majority of the seats for executive and area vice presidencies were elected without opposition. In the contested races for executive vice president, in Region 2, Mike Tracy of the union's Long Beach, Calif., association defeated Reno Rapagnani of San Francisco.

IN REGION 13, Wayne Jones of the Prince William County, Va., affiliate won over James Courtney of the U.S. Secret Service unit, headquartered in Washington. Bill LaVash of Boston defeated Jack Moriarty of the Connecticut association for the executive vice presidency in Region 16.

In the only contested race for an area vice presidency, Wendell Phillips of Sacramento defeated Rapagnani in Region 2.

George Rollins Dies, Led Insurance Union

Manchester, N.H.—George A. Rollins, president of the Insurance Workers from 1963 to 1965, died here at the age of 68. Rollins, who retired in 1978, died on Aug. 14. He made his home here.

Rollins began his union career in 1939 shortly after going to work for the John Hancock Life Insurance Co. in Boston. He served as office chairman and unit vice president.

When the former United Office & Professional Workers of America was ousted from the CIO in 1950 on charges of Communist domination, Rollins was named to the Insurance Workers Organizing Committee set up to replace the defunct union. He served as an organizer until 1959 when the committee was chartered as the present Insurance Workers International Union, and as a staff representative until his election as president in May 1963. After an unsuccessful bid for reelection in 1965, he returned to employment with John Hancock.

Funeral services were held Aug. 17 in Barrington, N.H. Besides his wife Alice, he leaves five daughters.

AFT Attorney Elected To Bar Association Post

Albany, N.Y.—Bernard F. Ashe, counsel for the New York State United Teachers here, will be the next chairman of the American Bar Association's Section on Labor & Employment Law. The 12,000-member section chose him as chairman-elect and he will become chairman automatically next year.

Maritime Union's Founder, Joseph Curran, Dies at 75

Boca Raton, Fla.—Joseph Curran, who went off to sea at the age of 16 and built a union, died of cancer at the age of 75.

He led a sitdown strike on the SS California that won a $5-a-month pay raise in 1936—when the average seaman earned $55 a month. When the company tried to blacklist Curran and other militants, seamen throughout the East Coast walked out. A later four-month strike transformed the Seaman's Defense Committee into the CIO-affiliated National Maritime Union that during World War II would grow to 100,000 members.

FROM THE DAY that the crew of the California chose him as their spokesman, AFL-CIO President Lane Kirkland and Sec.-Treas. Thomas R. Donahue wrote to Mrs. Curran, his "courageous example and high quality of leadership were assets of the American labor movement."

Curran served as president of the NMU from its founding until his retirement in 1973 and he was a vice president of the AFL-CIO from the 1955 merger until 1973. He had been a vice president of the CIO since 1940.

The NMU's strength was in the passenger liner trade, and the advent of the air age and the decline in American-flag shipping substantially reduced the NMU's seagoing membership.

Nevertheless, the conditions it established helped transform life at sea for those who followed in Curran's footsteps.

"He will be remembered not only in the history books and among the members of the National Maritime Union," Kirkland and Donahue wrote, "but everywhere trade union principles and traditions are held in honor."

Tilting the Rules

AFTER SEVEN months of the Reagan Administration, employer groups have come uncomfortably close to their goal of a pro-business "regulation-free environment." The changes proposed by the Secretary of Labor in the rules for administering the Davis-Bacon Act and the Service Contract Act would take a big step toward deregulation.

The secretary has announced a plan to save the government money by lowering the prevailing wages that the Davis-Bacon Act says must be paid on federally funded construction. This would be done by changing the long established formula for determining the prevailing wage rate in a manner long urged by non-union contractors, and by creating a new lower-paid job title of "helper."

HIS PROPOSAL for achieving "savings" under the Service Contract Act is even simpler. All that is necessary there is to rewrite the regulations so as to eliminate about half of the service contracts now governed by the prevailing wage requirement.

There are sometimes legitimate grounds for changes in regulations, and there can be honest differences of opinion about them. Pending, when the Reagan Administration took office, were the Labor Dept.'s carefully crafted proposals for modifications of prevailing wage regulations that had been developed after extensive discussions with all interested groups.

But the Reagan Administration discarded these proposals, with barely a glance.

The new Davis-Bacon regulations would be heavily tilted to the open-shop contractors, but the employer groups are already looking ahead to the next step. The U.S. Chamber of Commerce said it will redouble its efforts to achieve "outright repeal of this outdated, inflationary relic of the past."

After all, why settle for three-fourths of a loaf?

A Challenge to the 'Mandate'

SOLIDARITY DAY, on Sept. 19, takes on even more significance in the light of the Reagan Administration's continued erosion of worker protections.

Solidarity Day will demonstrate that a large body of Americans from all walks of life are deeply concerned at this Administration's radical shift away from the mainstream.

It will challenge the contention that the slim majority vote that Ronald Reagan received last November can be interpreted as a mandate to take from those with the least in order to give more to those with the most.

It will say that health and safety protections, jobs and training, affordable housing for those who can't afford mortgages carrying 17 percent interest rates and lunches for school kids have a higher claim on the nation's resources than still further tax cuts for profit-glutted oil companies to buy up competitors.

The First Amendment to the Constitution guarantees "the right of the people peacefully to assemble, and to petition the government for a redress of grievances."

On Sept. 19, that's just what labor and its allies intend to do.

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American Federation of Labor and Congress of Industrial Organizations

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THOMAS R. DONAHUE, *Secretary-Treasurer*

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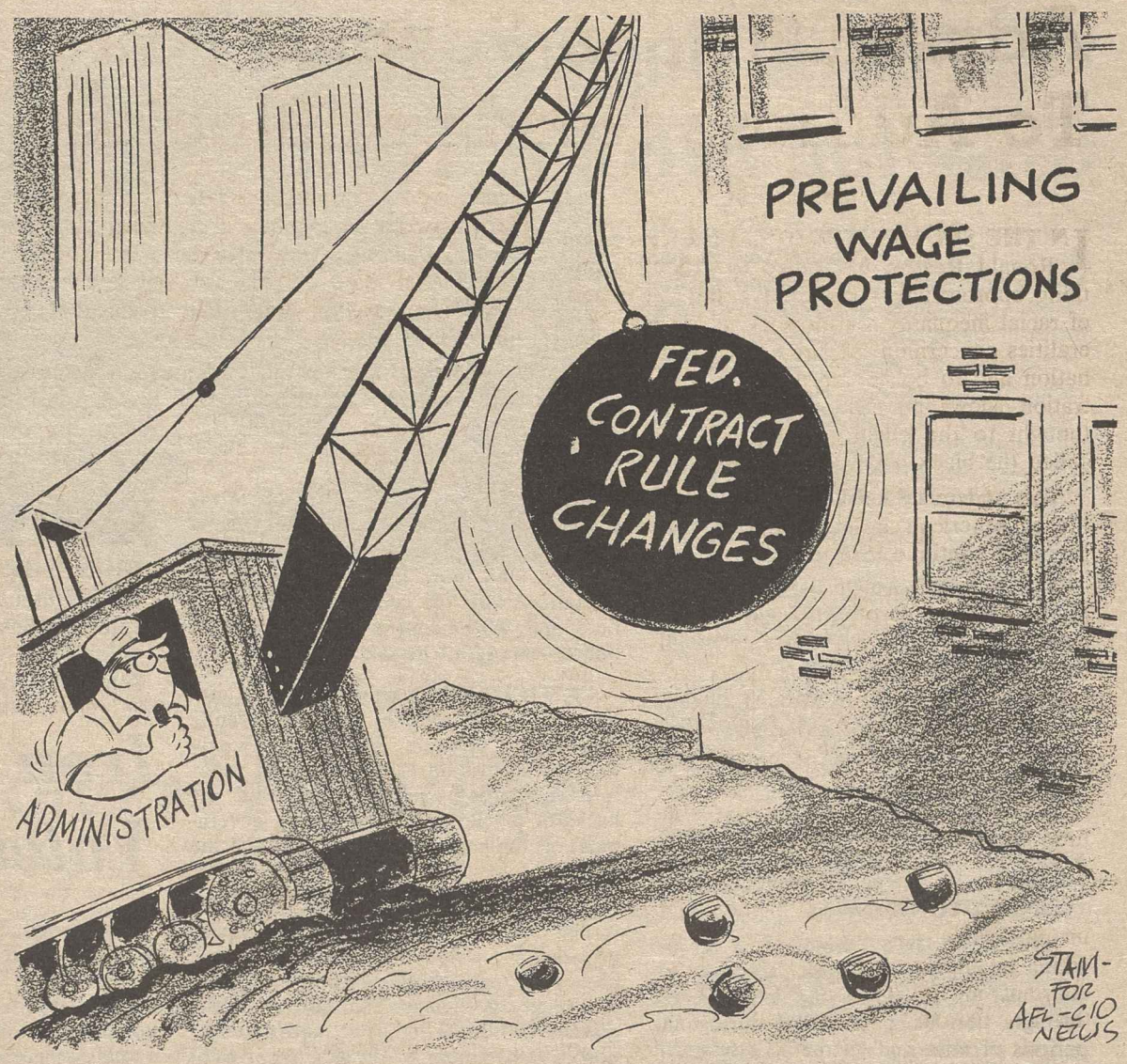
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Demolition Job



Working in the Shadows

Vanishing Job-Seekers a Sign Of 'Hidden' Economy's Growth

By Gus Tyler

THERE'S THIS MYSTERY about those one million Americans who disappeared in the space of two months between May and July of 1981.

In May, there were about 107 million men and women who were in the "labor force," which means that they were either on a job or looking for a job. Two months later, in July, there were only 106 million.

This was not due to any shrinkage of our total population; that just kept on growing—as it generally does. The shrinkage was only in the "labor force."

WHEN THE figures first hit the headlines they were hailed as "good news." The New York Times reported on page one: "Unemployment Defies Forecast, Declining to 7%." That looked great: more people at work.

But, then, if you looked at the fine print, you found that there were not more people at work at all. Indeed, there were fewer people at work in July than in May by about 600,000.

If, you ask, the number of people at work went down, how could the unemployment rate also go down? The answer: there were fewer people looking for work.

TAKE NEW JERSEY, for example, where the jobless rate fell to a relatively low 6 percent. At first glance, that sounds like happy news, suggesting more people at work. But, no, the number at work did not rise. It's just that the number of people in the "labor force"—working or seeking work—in New Jersey shrunk by 118,000 from May to July.

Now what happened to those 118,000 folk in New Jersey who were in the labor force in May but disappeared in July? You can't say that they went to some other state, because what happened in New Jersey happened in the country as a whole. The mystery remains.

The experts who are in charge of finding names for strange things generally list these "missing persons" as "discouraged" job seekers. They have no job; they have stopped looking for jobs; they are statistical non-beings.

THEY DON'T EVEN collect unemployment insurance because to do that they must officially be "looking for work." Whether they are or not, they would be counted as part of the "force."

Some of the "missing" may just be hanging around waiting for times to get better.

But there is good reason to believe that there are many who are fully and gainfully occupied in a hidden economy that is growing in America. A big chunk of that subterranean business system operates on barter or in cash—payments for goods and services that go unreported.

AN EVEN larger portion of that shadow economy is outrightly criminal—mugging, burglary, hijacking, fencing, prostitution, dope, pilferage, paid-for arson, loft thefts, stolen vehicles and construction machinery. It's a multi-multi-billion-dollar piece of turf.

The ultimate threat to the American society is that this hidden economy will grow, as it has been growing, if the legitimate economy does not grow in line with our potential.

The great irony is that our official "unemployment" rate may actually decline although fewer people hold jobs, because there will be fewer people looking for legitimate jobs as more and more make their livelihood in the shadows. Crime may become—if it is not already—the nation's biggest business.

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March for Jobs • Justice • Human Rights • Social Progress
AFL-CIO
SOLIDARITY DAY
SEPTEMBER 19, 1981
On The National Mall
Washington, D.C.

High Rates of Poverty, Joblessness

Administration Policies Fail To Address Needs of Blacks

By Norman Hill

IN THE SIX MONTHS he has been President, Ronald Reagan has failed to articulate anything approaching a coherent policy on matters of racial inequality and poverty. Aside from generalities concerning the need to combat discrimination and to bolster productivity, the Administration shows no sign of having given serious thought to the plight of what has come to be called the black underclass.

This underclass has been a persistent fact in the life of American society for many decades, and its ranks continue to swell.

The typical Reagan Administration response to the problem of black poverty and unemployment has been to assert that only the private sector can resolve the problems faced by blacks and others who are poor. Help business and industry, the Reagan argument goes, and you will help poor blacks and all poor Americans improve their lot. However, a glance at the recent history of black unemployment and impoverishment gives little indication that the Reagan approach will work.

SINCE WORLD WAR II, the rate of black unemployment has stood at roughly twice that of white unemployment. This ratio has remained constant in times of economic prosperity and through periods of economic decline, through periods of inflation and periods of price stability. No matter how the economy has been doing, blacks seem disproportionately to shoulder the burdens of unemployment.

What improvement has been made by blacks in the last 35 years can be attributed to increased education. Blacks who have received adequate training and education have made tremendous strides economically. Black women college graduates, for example, today earn slightly more than their white counterparts. But the Reagan Administration has implemented massive cuts in federal aid to education and has drastically cut funding for a number of training and employment programs which seek to prepare minorities and the poor for meaningful private sector employment—precisely the initiatives one would expect the President to support.

Of equal importance is the Reagan approach to "states' rights." The Administration is a vocal proponent of block grants and of giving increased power to the states. Yet it is precisely at the regional and state level that, for historical reasons, discrimination remains a significant problem. For example, due to a variety of complex factors, black workers in the South earn 78 percent of the income of white Southerners. Throughout the rest of the country, however, the earnings of black and white workers are nearly identical.

An approach that puts emphasis on "states' rights" will prove unable to diminish the discrepancy between the earnings of Southern whites and blacks. Federal action must be a component in diminishing these differences. And it is precisely such federal intervention that President Reagan appears to oppose.

Recently, the Gallup Organization conducted a poll of the views of the black population. The results are both interesting and ominous, for they indicate a deepening division between blacks and whites, in some measure as a direct consequence of the policies of the Reagan Administration.

The Gallup study found that while 55 percent of whites were optimistic about what 1981 would bring for them personally, only 18 percent of blacks expected a better year and 48 percent expected things would be worse.

SIMILARLY, in February a Newsweek magazine poll found that 52 percent of blacks expected things would get worse for them during Reagan's presidency and only 8 percent felt things would improve. In April, while President Reagan enjoyed a 74 percent approval rating among whites, only 25 percent of blacks approved of the President's performance.

In the late '60s and early '70s, when blacks were experiencing some social advancement, polls registered a significant sense of progress. In 1969, for example, 70 percent of blacks felt that the situation of blacks had improved during the previous five years. In 1981 only 30 percent feel this is true.

The Gallup survey reveals one very dangerous trend. Only the barest majority of blacks (51 percent) rejects violent protest as a means of accomplishing goals, and two-thirds of blacks agree that the only time the federal government really pays attention to blacks is when they resort to violence. This sense of frustration and rage must be confronted. Yet in the context of the Reagan Administration's retreat from necessary social programs and in the Administration's failure to confront the reality of racial inequality, there are the seeds of disaster.

BLACK AMERICANS have viewed the Administration with skepticism since Ronald Reagan took his oath of office. Yet the President has made no serious effort to diminish this skepticism by developing a policy which addresses the specific needs and problems faced by blacks. Glib generalizations and assertions that the private sector will resolve the plight of the black poor do not constitute a coherent policy on black inequality. They constitute a serious failure of leadership.

In defending his economic policies, Ronald Reagan frequently asserts that "a rising tide lifts all boats." He, however, appears to have forgotten that those who are without boats may very well drown.

'Dead in the Water'

Actions to Weaken Safety Law Called Tantamount to Repeal

PRESIDENT REAGAN has, in effect, reneged on his campaign pledge not to seek repeal of the Occupational Safety & Health Act by authorizing a series of administrative and legal attacks aimed at making the law inoperative, Director George H. R. Taylor of the AFL-CIO Dept. of Occupational Safety & Health charged.

Attempts to kill, weaken or delay standards on cotton dust, lead, hearing conservation and other job-related hazards, and maneuvers to substantially water down enforcement by reducing personnel and exempting large numbers of workplaces, are clearly aimed at leaving the law "dead in the water," Taylor declared. He said that while the President hasn't yet pushed for outright repeal of OSHA, the moves he has authorized add up to the same thing.

Questioned by reporters on the network radio interview Labor News Conference, Taylor warned that major gains in worker protection achieved over the past four years are in grave danger.

Noting that "some of OSHA's severest congressional critics" are now in leadership positions, especially in the Senate, Taylor acknowledged that even if the labor movement is able to blunt the administrative assault on OSHA, the law will still face the threat of legislation to accomplish the same ends. He said that Senate Labor & Human Resources Committee Chairman Orrin Hatch (R-Utah) has "apparently adopted a wait-and-see attitude . . . watching the methods, policies and programs that are put into play" by the agency.

SEN. HATCH "always has the option" of pushing OSHA amendments, if the attempts to wash out the law through administrative changes fail, Taylor observed.

Reporters questioning Taylor on the AFL-CIO produced public affairs program were Dale McFeatters of the Scripps-Howard Newspapers and John Herzfeld of Occupational Safety & Health Reporter, a publication of the Bureau of National Affairs. Labor News Conference is broadcast weekly by the Mutual radio network.

Washington Window

By Press Associates, Inc.

TODAY'S WHOLESOME MEAT and poultry owes much to Upton Sinclair, whose exposé of filth in the Chicago stockyards led to the landmark Meat Inspection Act of 1906.

That law, plus several key amendments, have provided not only for cleanliness in meat and poultry operations but also for regulation of fat content, standardization of ingredients and accurate labeling.

Now, amidst celebrations of 75 years of progress, come signs that the nation may have started to move backward as the public price for easing cost burdens on government and business.

One pointed manifestation: filthy conditions in an estimated 18.4 percent of meat and poultry slaughtering plants, according to a recent General Accounting Office report. GAO attributed problems of sanitation to a scarcity of inspectors, whose ranks have been shrinking through a government policy of deliberate attrition, and to failure by plant managers to meet their responsibilities.

ALTHOUGH DEMOCRATS did a bit of cost-cutting when they were in power, conservative Republicans, in servitude to industry, are doing more, with accelerated backsliding. In fact, they are trying hard to reverse a number of protections consumers gained under the previous Administration.

A pro-business philosophy so runs herd at the Agriculture Dept. these days that the person overseeing inspection and grading regulations is the assistant secretary for marketing, C. N. McMillan, a former lobbyist for the National Cattlemen's Association. Previously, inspection and grading fell under the jurisdiction of the assistant secretary for food and consumer services.

One of the public threats that particularly worries labor and consumer leaders is the movement in Congress to amend regulations that prohibit the use of suspected cancer-causing substances as food additives.

One such additive is sodium nitrite, a commonly used curing agent in bacon, bologna, franks and other processed meats. Research showed sodium nitrite produced tumors in laboratory animals. Health advocates sought to prohibit it by invoking the law that requires a ban when a substance causes cancer in laboratory animals.

So far, industry has thwarted those attempts and currently is striving to change the law. If that happens, "it will not be long before we return to a time of rampant health and economic risks," to use the words of Ellen Haas of the Community Nutrition Institute, a public interest group.

ALTERATIONS IN various inspection procedures also could put the meat and poultry supply at risk, according to federal inspectors.

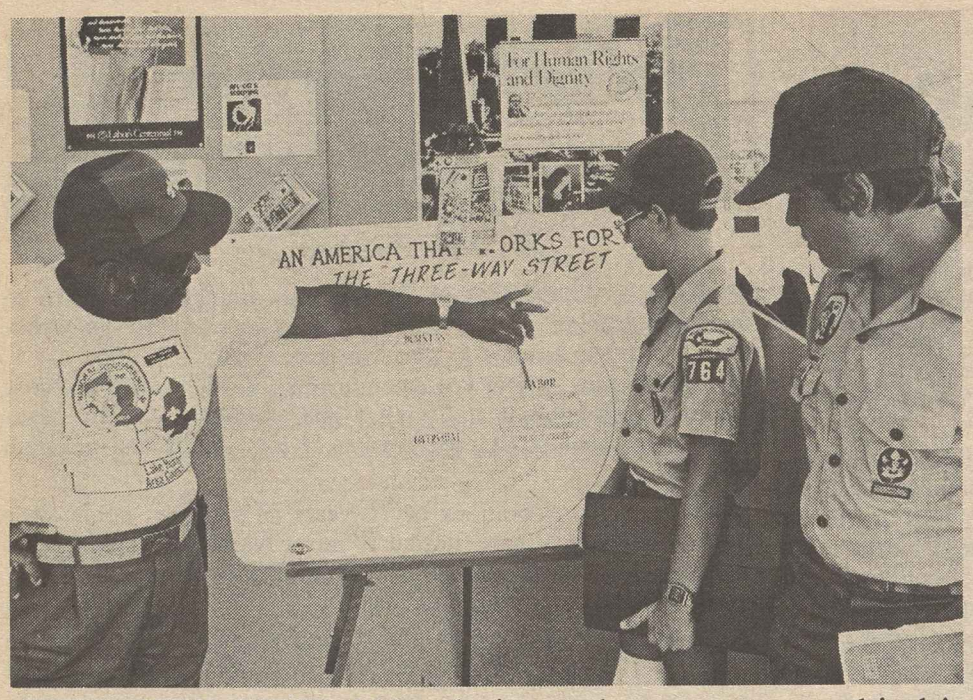
One such new program, called Quality Control Inspection, applies to processing plants. It allows them, on a voluntary basis, to submit certain of their records to the federal inspectors who, in turn, verify the records by laboratory sampling techniques, thus reducing the inspectors' personal observations.

Concomitant with "quality control inspection," USDA is seeking an amendment to the Meat Inspection Act giving the Secretary of Agriculture discretion on how often an inspector must visit each plant. The existing mandate is for continuous inspection, which has been interpreted to mean a daily visit.

Agriculture officials say their schemes mean more efficient regulation for fewer dollars. However, cutting corners to save money can mean cutting corners on public health and safety. It may not be long before another Upton Sinclair will be needed.



AGENCY AND COURT attacks aimed at rendering OSHA inoperative and encouraged by the Administration in effect wash out President Reagan's campaign pledge not to seek repeal of the federal job health and safety law, Director George H. R. Taylor (center) of the AFL-CIO Dept. of Occupational Safety & Health, charged on Labor News Conference. Taylor was questioned by John Herzfeld, left, of Occupational Safety & Health Reporter and Dale McFeatters of the Scripps-Howard Newspapers.





INTERACTING ROLES of labor, business and government are explained in photo at left by Norman Osborne, retired AFL-CIO Community Services representative from Saginaw, Mich., to a couple of Texas Scouts working toward a merit badge. In the photo at right, Ted Reed, the research director of the Operating Engineers and an active scouter, supervises an exercise in surveying by Scouts seeking a badge in that specialty. Larry Rick of Local 77 assists.

Boy Scouts Learn About Unions at Jamboree

Fort A.P. Hill, Va. — In a 7,000-acre outdoor campsite and classroom, more than 30,000 Boy Scouts, leaders and visitors from every state and several foreign nations learned about the American labor movement at the 10th National Jamboree here.

The outdoor classroom was a Merit Badge Midway where more than 60 career and hobby displays were presented. Included were exhibits on the Scouts' "American Business" and "Surveying" merit badges staffed by representatives of the AFL-CIO Dept. of Community Services and the Operating Engineers.

MEMBERS OF the AFL-CIO National Labor Advisory Committee, which works to strengthen ties between organized labor and the Scout movement, visited with Jamboree Scouts and officials during the eight-day event that takes place every four years.

Ted Reed, director of research for the Operating Engineers; J. Robert Miller, national liaison for AFL-CIO community services and director of labor relationships for the Boy Scouts; and Norm Osborne, retired community services representative from Saginaw, Mich., were on hand throughout the Jamboree to answer questions on labor's role and to help Scouts with labor-related badge requirements.

Many other AFL-CIO union members were involved as volunteer leaders for the Scouts, who camped in tents and cooked their own meals at this first Jamboree held south of the Mason-Dixon line.

Osborne explained that more than 22,000 Scouts have earned the "American Business" badge since it was first offered in 1968. Requirements include preparation of a central labor organizational chart and explanations of the terms union shop, open shop, collective bargaining, shop steward, business agent and union counselor. Scouts earning this badge also learn of the parts played by federal and state agencies in labor relations.

In addition, Scouts qualifying for the badge must show an understanding of money flow in business and industry, profits, insurance and stocks, and how capital is secured.

Featured for the first time at a National Jamboree was a display and demonstration on the "Surveying" merit badge by the Operating Engineers.

REED, AN Eagle Scout as a boy and a recipient of the George Meany Award for Scouting, noted that over 100,000 boys have qualified for this badge, one of the original badges offered in 1911. Larry Rick of IUOE Local 77 of Suitland, Md., assisted at the surveying demonstration. It featured a history of surveying, how to draw maps to scale, determining height, and plotting lots with errors of closure no more than 5 feet.

In keeping with the Jamboree's theme of "Scouting's Reunion with History," Reed, Rick and other AFL-CIO personnel noted that George Washington and Thomas Jefferson used an instrument known as a "semi-circumferentor" or "graphometer" which combined a peep-sight and a compass for establishing the direction of a line.

Scouts at the 1981 National Jamboree were reunited with history in many ways. They passed under gateways decorated with flags and images of individual states, soldiers, battles, and other historical scenes. A Heritage Trail allowed them to take part in such activities as pitching horseshoes, using branding irons and having log races. Opening and closing ceremonies highlighted important moments in American History, capped by the display of five tons of fireworks.

A. J. PHILLIPS, director of the National Joint Apprenticeship Training Committee for the Electrical Industry, observed after the last Jamboree in 1977 that the Scouts' merit badge program can be a boost to local apprenticeship programs. He noted, for example, that the New York City chapter of the National Electrical Contractors Association works with Local 3 of the International Brotherhood of Electrical Workers in sponsoring Scout troops for handicapped and disadvantaged children, using their Long Island training facility and encouraging the Scouts to continue into apprenticeship.

Reed notes that merit badge pamphlets explain the kinds of training programs available to youths interested in various careers. The electricity badge guide, for one, advises Scouts that one way "to get into the electrical field is by entering an apprentice training course." It points out that "an apprentice usually helps a skilled mechanic and thereby gradually becomes skilled himself."



NATIONAL LABOR ADVISORY Committee members are shown at the Boy Scouts National Jamboree. From left: Leon Wickersham, Graphic Arts Union; Bob Harbrant, president of the Food & Beverage Trades Dept. and chairman of the advisory committee; Dick Plumb, Food & Commercial Workers; Ted Reed, Operating Engineers; Bob Miller, national liaison from AFL-CIO Community Services Activities; Tom Snover, Auto Workers; Bill Lawbaugh, Iron Workers, and Alan Bosch, representing the AFL-CIO Dept. of Community Services.

Rule Changes Scored as Bid To Sabotage Pay Protection

(Continued from Page 1)

giving the open-shop groups all they had asked for in regulatory change. But the Associated Builders & Contractors now says the regulatory changes should be considered "just the first step leading to outright repeal." It said the regulations should be further eased to allow a low-paid helper for each journeyman employed.

The changes proposed by the Labor Dept. in the Service Contract Act "would repeal the law's protections for large numbers of workers by administratively stripping contracts from coverage" of the law, Oswald charged.

UNDER PRESENT regulations, prevailing wage and benefit standards must be met on contracts providing services to the government—most often food services, janitorial work and other relatively low-paying occupations, but also including some high-skilled technical work. Until the law was enacted, workers who succeeded in organizing and improving their conditions faced the threat that the contract would be lost to a bidder paying substandard wages.

The proposed changes would exempt research and development contracts, exclude maintenance and repair of computers and other "high technology" equipment. It would also limit the law's coverage to contracts that are "principally for services."

That "innocent sounding phrase," Oswald pointed out, would repeal the law's protections for large numbers of workers.

"Without adequate protection, community prevailing wages will be undermined and workers will lose their jobs," he protested. "The promise of the Service Contract Act is that the government contracting process will not threaten job security. That promise should be maintained," Oswald declared.

Career Labor Dept. Aide Named to International Post

James F. Taylor of Alexandria, Va., a 40-year career civil servant, was named associate deputy under secretary for international affairs at the Labor Dept. by Labor Sec. Raymond J. Donovan.

Taylor, 62, succeeds Herbert N. Blackman, who is retiring.

More Funds Earmarked

Plumbers-Pipe Fitters Step Up Organizing

Las Vegas, Nev.—The 3,700 delegates to the Plumbers & Pipe Fitters 32nd convention heeded the strong recommendation of President Martin J. Ward that the union intensify its organizing efforts as they earmarked more funds for that purpose.

The convention voted to increase the per capita dues by $2 a month, with $1 of the boost going to the international union. This will permit an increase of ten cents for the organizing fund, providing a new total of 40 cents per member per month beginning next Jan. 1.

AN ADDITIONAL 70 cents is allocated to the general fund, making it $3.35 a month, and 20 cents to the burial expense fund, making it $1.70.

Ward told the delegates that the union is "losing millions of additional man-hours of work both at the local and national levels because of the competition of non-union contractors." He called for a major effort "to persuade our members to join actively in and support this drive to organize non-union contractors."

Ward, who was elected to a third consecutive five-year term, said many large companies that purchase construction projects now look with favor on non-union contractors, especially the large oil companies building synthetic fuel plants that will represent $200 billion worth of construction in the years immediately ahead.

"THIS FIGURE is more than the total annual construction outlay for all the United States and Canada," he said, "so it's a situation we can't run away from. We may have to face the difficult task of organizing the jobs on a site-by-site basis."

In other action, the delegates unanimously adopted a resolution introduced from the floor in support of the Air Traffic Controllers' strike and calling on President Reagan to engage in "serious negotiations" to settle the dispute.

The convention also went on record as supporting the Washington Building & Construction Trades Council in its efforts to persuade the Prudential Insurance Co. of America to use pension funds to foster union construction and to stop using a number of non-union contractors to develop income-producing properties for its own account in northern Virginia and the District of Columbia.

FORMER LABOR SEC. Ray Marshall told the convention that increasing competition would threaten American labor standards unless the standards of workers around the world are improved.

"Public opinion needs to be turned around with respect to the values of a free labor movement for a free society," Marshall said. Many people seem to be able to understand this principle better for Poland than they can understand it for the United States, he observed.

"With the internationalization of the American economy and the growing influence of multinational corporations, it is important for the American labor movement to continue to strengthen its ties with labor movements of other countries to promote the concept of international minimum labor standards and to minimize the impact of international trade and immigration on the working conditions of workers in the United States," Marshall continued.

MARSHALL SAID that organization and collective bargaining are becoming ever more complicated because most of the jobs created over the last decade were in plants with fewer than 50 employees and the decentralization of industries has been to locations where unions are not strong.

"The construction industry itself is being brought under the control of large multinational corporations who are opposed to unions, who have created a so-called committee for a union-free environment and who are boycotting unionized contractors," Marshall noted.



NEW SECRETARY-TREASURER of the AFL-CIO Food & Beverage Trades Dept. is Rhonda Allgaier, who was elected at the department executive board's recent meeting in Chicago to fill the vacancy created by the retirement of Harry Poole. Here she joins FBTD President Robert F. Harbrant in a discussion with AFL-CIO Sec.-Treas. Thomas R. Donahue. She is a vice president of the Hotel Employees & Restaurant Employees,

Unions Sponsor Ad Campaign on Social Security

"Social security is not a handout. It's a contract between the United States government and the American people—a contract we've earned through lifetimes of hard work."

That's part of an advertisement that appeared recently in many of the nation's leading newspapers. It was sponsored jointly by the State, County & Municipal Employees and the Auto Workers as part of labor's campaign to block Reagan Administration proposals to reduce social security protections.

"Don't Do It, Mr. President," is the headline over a drawing of a scissors about to cut a social security card.

The advertisement stresses that social security's funding problems, caused by abnormally high unemployment and inflation, can be solved "without breaking the government's promise to working Americans."

It asks letters to members of Congress, and urges: "Don't let them take away what we've earned. And don't settle for a compromise that merely pushes back the cuts to a later date."

Wholesale Rise Moderate Despite Jump in Food Costs

Wholesale prices rose at a moderate, seasonally adjusted rate of four-tenths of 1 percent in July—or at a 4.8 percent annual rate before compounding—despite a sharp jump in food costs, the Bureau of Labor Statistics reported.

The July increase in producers' finished goods followed rises of six-tenths of 1 percent in June and four-tenths of 1 percent in May. Changes in producer prices are viewed as a harbinger of consumer price changes.

WHOLESALE FOOD prices soared 1.5 percent over the month, led by a 10.1-percent surge in pork. Beef and veal prices went up 3.8 percent. Fresh fruits were up 2.5 percent and eggs 1.5 percent. These increases were partially offset by declines of 5.7 percent for poultry, 2.1 percent for fish and 1.1 percent for vegetables.

Energy prices fell a full percentage point, helped by the third straight month of declines for gasoline. Home heating oil and gasoline prices, measured by themselves, went down 2 percent at the wholesale level on a monthly basis.

Besides the expected food price surge, the 3.3-percent rise over the month in steel prices was the major source of concern.

However, durable goods — long-lasting products most likely to use steel in their manufacture—dropped in price for dealers by two-tenths of 1 percent, with large declines also for jewelry, platinum, gold, and costume jewelry.

THERE WERE also drops of over 1 percent in prices for cosmetics, electric lamps and bulbs, and tires and tubes. Passenger car prices, however, rose 1.1 percent, and household appliances were up 1.5 percent.

Over the past 12 months the government's producer price index for finished goods rose 8.8 percent. In July 1980, the index was 14.6 percent higher than 12 months earlier.

Pay Boosts Averaged 7.5% In 1980 State, City Accords

Major agreements between State and local governments and their employees last year provided first-year wage increases averaging 7.5 percent, up from 6.8 percent in 1979, the Bureau of Labor Statistics reported. Over the life of the agreements, the annual wage boost averaged 7.8 percent, compared with 6.5 percent in 1979.

The 1980 data cover 1,012,000 blue-collar and white-collar workers in 83 state and local bargaining units of 5,000 members or more. While the wage increases bettered the previous year's, they were far below last year's 12.4 percent inflation rate.

THE DATA relate to settlements reached and wage changes put into effect during the year, deferred increases stemming from earlier agreements, and cost-of-living adjustments paid. Forty settlements were reached in 1980. Deferred wage increases were made under 37 agreements negotiated prior to 1980, and COL adjustments were made under three contracts.

All but three of the 1980 settlements provided for specified wage boosts in the first contract year. Of the three that did not, one continued quarterly COL payments.

The settlement data do not include estimates of potential adjustments to wages under COL clauses. Five of the 40 settlements reached last year, covering 55,000 workers, continued COL clauses. No new COL clauses were introduced in last year's settlements, and two agreements dropped such clauses.

CONTRACTS without COL clauses tended to provide higher average wage boosts, 7.6 percent against 7.3 percent in the first year and 7.9 percent against 6.7 percent averaged over the life of the agreements. Pacts with COL clauses had an average duration of 26.6 months, while those without such provisions averaged 23.9 months.

NLRB Nominees Assume Posts During Recess

John R. Van de Water, President Reagan's choice to succeed John Fanning as chairman of the National Labor Relations Board, was sworn into office Aug. 18 at the U.S. embassy in Cairo, Egypt.

Van de Water, who was in Africa to attend his daughter's wedding at the time of his "recess appointment," is 64, a Republican, and an attorney from California.

REAGAN ALSO granted a recess appointment to Robert Hunter, 40, who has served as a labor relations adviser to Sen. Orrin Hatch (R-Utah), chairman of the Senate Labor & Human Resources Committee. Hunter was sworn in as a board member on Aug. 14.

Van de Water replaces Democrat John Pennello, who resigned Jan. 14. Fanning will stay on as a member of the five-man board. A new President has the privilege of designating the chairman.

Hunter, who takes the seat of John Truesdale, a Democrat who resigned in January after Reagan withdrew his nomination for another term, was designated acting chairman until Van de Water returns to the United States next week. The board has been functioning with only three members since Truesdale's resignation.

BOARD MEMBER Howard Jenkins, Jr., who recently was hospitalized for a heart attack, is expected to be discharged next week and work at home for about a month before undergoing minor surgery.

Although both Van de Water and Hunter were nominated to the board in June before the congressional recess, the subsequent appointments while Congress is in its August recess allowed both to assume office immediately, and not wait for Senate confirmation. The Senate Labor & Human Resources Committee has scheduled a confirmation hearing to start Sept. 10.

Teachers Reject Shift to States of Federal Function

The American Federation of Teachers intends to take a close look at the options the Administration is considering for the future of the Dept. of Education. But it will "strongly oppose" any move to shift federal education functions to the states, AFT President Albert Shanker said.

Education Sec. Terrel Bell is reported to have submitted various options to President Reagan, including conversion to a non-Cabinet department, merger with another government department and conversion to a foundation with most functions and funds shifted to the states.

Shanker said the AFT will examine each Administration proposal from the viewpoint of whether or not it would be an improvement over the existing situation.

But consolidation of federal programs into grants for the states would merely "generate destructive battles on the state and local level over how a greatly reduced federal pie would be divided to meet the needs of the handicapped and disadvantaged," Shanker said.

Memo Outlines Options

OSHA Studies Ways To Soften Standards

(Continued from Page 1)

that "flexible enforcement" would not "clearly show industry that OSHA is sensitive to their [sic] problems" and would not "clearly demonstrate regulatory reform initiatives."

The memorandum makes no mention of the hazards to workers in the textile and smelting industries that the standards were developed to eliminate.

IT MENTIONS organized labor only twice: once in an expression of concern that unions might challenge the Labor Dept. if it continues to delay action on one aspect of the lead standard, and again in a caution not to "enrage the unions who could feel that their legal victory [in the Supreme Court cases] is being undermined."

The Solicitor of Labor is the chief legal counsel to the Labor Dept. The incumbent, T. Timothy Ryan, also headed one of the Administration's so-called regulatory review groups.

The Supreme Court in a 5-3 decision in mid-June upheld the OSHA standard on worker exposure to cotton dust, rejecting industry groups' contentions that the required engineering controls would be too costly and the Reagan Administration's request to delay its ruling until OSHA could conduct a cost-benefit analysis of the standard, which was developed under the Carter Administration.

TWELVE DAYS later the high court rejected without comment challenges by the lead industry and the Reagan Administration to an OSHA standard designed to reduce the lead-poisoning hazard for more than 800,000 workers.

While the bulk of the Solicitor's Office memorandum deals with the lead standard, it points out that "essentially the same options are available" for softening the effect of the cotton dust standard: new rule making—immediately or later since "here, too, the industry has several years to comply"—or "enforcement flexibility and variances . . . for the primary textile industry."

In reviewing the court's cotton dust ruling, the memorandum notes that the court "limited its conclusions on 'cost-benefit' to toxic substance standards" and "did not preclude the use of 'cost-benefit' to set priorities for other OSHA regulatory actions."

IT ALSO NOTES that the court "did not discuss whether OSHA could do a cost-benefit analysis without relying on the analysis for purposes of deciding on levels of protection from toxic substances."

But, the memorandum cautions, OSHA's "preparation of a cost-benefit analysis, even though not used, may add to the difficulties in defending the standard and present disadvantages from a public relations point of view."

In the court's majority decision, Justice William J. Brennan wrote that "Congress itself defined the basic relationship between costs and benefits by placing the 'benefit' of worker health above all other considerations, save those making attainment of this 'benefit' unachievable." The key word in the job safety law, he said, is "feasible . . . capable of being done."

THE MEMORANDUM also notes that the court "did not deal with OSHA enforcement policy as a means of bringing flexibility to health standards," and it suggests that as employers submit their plans for complying with the standards "OSHA could . . . mitigate some of the engineering control burdens by allowing such additional time as is demonstrably necessary."

One of OSHA's options is to "commence new rule making" immediately for affected primary industries "where there is thought to be a feasibility problem," the memorandum suggests.

"Current evidence on economic and technological feasibility as well as cost effectiveness of the standards . . . could be considered," the memorandum says.

A PUBLIC STATEMENT soon that there will be a new rulemaking "would minimize the impression that the Supreme Court decisions seriously threaten the Administration's regulatory reform program," the memo says, pointing out, however, that "it may be too early to develop evidence demonstrating infeasibility . . . since industry has not yet done anything to comply with engineering control and related provisions."

At the same time, however, such a statement "may appear to reflect resistance to the Supreme Court decisions, which would harm the agency's [OSHA's] public image in general, and enrage the unions who could feel that their legal victory is being undermined," the memo says.

OSHA also could wait for the industry's compliance plans to be submitted "(6 months-1 year after the effective date)" and on the basis of the plans "and other new evidence decide whether to begin proceedings to amend the standard."

Such delay, however, "may be viewed as a lack of commitment to regulatory reform or difficulty in implementing regulatory reform after the Supreme Court decisions," the memo observes.

8/22/81

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SHOW OF SOLIDARITY for striking air traffic controllers included a call to join the AFL-CIO's Sept. 19 Solidarity Day march in Washington, D.C. The young trade unionists were participating in an Aug. 18 support rally for the PATCO strikers organized by the Greater Washington AFL-CIO.

Fraser Calls for U.S. Policy To Spur Ailing Auto Industry

High unemployment, idle plants and depressed communities are part of the price the United States is paying for its lack of a "coherent" industrial policy, Auto Workers President Douglas A. Fraser testified.

Fraser told a House Judiciary subcommittee that he considers it "regrettable" that the Reagan Administration has not continued a tripartite committee established late in the Carter Administration to seek solutions to the auto industry crisis. The experiment in labor-management-government interchange had shown some promise, he said.

THE U.S. AUTOMOBILE industry's sales slump is now in its 28th month, Fraser noted, and more than 150,000 General Motors, Ford and Chrysler workers are still jobless. With related unemployment, he testified, the auto industry's sales slump has pushed the national unemployment rate up a full percent and over the past two years has cost an estimated $25 billion in lost government tax revenue and in expenditures for unemployment insurance and other forms of income support.

While auto industry management is not without fault, the severe sales slump is largely the result of "massive" vehicle imports from Japan and "ruinous" interest rates resulting from the Federal Reserve Board's tight-money policy.

THE SUBCOMMITTEE is exploring productivity along with other issues, and Fraser said the UAW is "well aware of its importance" in keeping the industry competitive and enabling union members "to attain an excellent level of wages and benefits of which we are proud." But "continuing labor support of technological innovations," he said, requires effective guarantees that new technology won't result in abrupt displacement of workers.

Fraser challenged the conception that the Japanese auto industry is substantially more productive than that of the United States.

Japanese auto workers are assured of employment without fear of periodic layoffs, he noted, and their management encourages their ideas on improving the workplace and their product.

Also, Fraser noted, "the Japanese government has played an active role in ensuring rapid investment in high productivity and technologically advanced industries. With import protection, subsidized research, low interest credit and other mechanisms, the government has carefully nurtured the development of most of the industries that export so successfully today."

IN AN AREA the United States should not emulate, Fraser said, the Japanese model is "flawed" by pay and hiring discrimination against women, by excessive hours of work and little vacation time. Further, "Japanese workers are required to retire from major companies by age 60 at the latest," and their severance pay does not compare with the lifetime pension benefits U.S. auto workers receive. "Overall, Japanese auto workers have not shared proportionately in the fruits of their remarkable productivity performance."

While the United States can learn from Japan's experience, Fraser suggested, "we cannot simply graft parts of the Japanese industrial relations system on to ours."

1.3 Million Elderly to Face Cut in Social Security Check

Unless Congress reverses itself before next March, about 1.3 million of the 3 million persons now receiving the minimum social security benefit of $122 a month will have less to live on.

The House has already had second thoughts about its approval of the Reagan Administration budget package and has voted to rescind the section eliminating the minimum benefit. The Senate put off a decision until after Congress returns from its August recess.

AFL-CIO SOCIAL SECURITY Director Bert Seidman noted in a memo on the impact of the cut that the projected budget savings could be at least partially illusionary.

An estimated 1.7 million persons will have cuts in the minimum benefit offset by higher payments under other portions of the Social Security Act. And the process of identifying and recomputing benefit payments to the 3 million current beneficiaries is likely to overtax the agency's already strained data processing facilities. Besides the added costs, Seidman said, normal social security operations could be disrupted for the next year.

Seidman said the "savings" to the government would be even lower if all of the persons who would become eligible for the income-related supplemental social insurance payments applied for them. But the Administration's own estimates, he noted, is that only about one out of four will actually do so.

The average benefit cut if the minimum is not restored is estimated at between $700 and $800 a year, Seidman said.

While there is no separate breakdown of the persons not eligible for offsetting benefits, the "profile" of the 3 million persons now receiving the minimum benefit shows that 85 to 90 percent are women and half are 70 or older.

About 500,000 are 80 or older and 80,000 are at least 90.

Network Broadcasts Set for Labor Day

AFL-CIO leaders will appear on the following radio and television programs over the Labor Day weekend, Sept. 6 and 7:

Vice President John H. Lyons on Mutual radio, Monday, Sept. 7, 12:15 p.m. EDT.

Sec.-Treas. Thomas R. Donahue on NBC radio, Monday, Sept. 7, 9:30 p.m. EDT.

President Lane Kirkland on CBS radio, Monday, Sept. 7, 7:45 p.m. EDT.

Kirkland also is scheduled to appear on the CBS television program "Face the Nation" Sunday, Sept. 6, at 11:30 a.m.

Local stations may alter program schedules and should be checked for exact broadcast time.

Mississippi Congressman Appoints Union Staff Aide

Rep. Wayne Dowdy (D-Miss.), who won a special election last month in a House district that had previously gone Republican, has appointed a black trade union leader as his administrative assistant.

Dowdy chose William Wright, a member of Local 605 of the International Brotherhood of Electrical Workers in Jackson. Wright has been president of the Central Mississippi Chapter of the A. Philip Randolph Institute and vice president of the AFL-CIO central labor council in Jackson.

Unions Build Controllers Family Fund

Community, Financial Aid Shaping Up

The AFL-CIO enlisted its community services operation to assist, on the basis of need, families of air traffic controllers fired by the government for taking part in their union's strike.

Where financial aid is needed, help will come through the PATCO Family Fund established by the AFL-CIO. A telegraph poll of the AFL-CIO Executive Council brought quick concurrence in a $10,000 contribution to launch the fund, and donations from affiliates began coming in immediately.

The Communications Workers presented a $100,000 check to the family fund, and CWA President Glenn Watts said the union's executive board had authorized up to $1 million from CWA's defense fund to be used "in defense of unionism and the process of collective bargaining in the public sector."

OTHER MAJOR contributions received in the first days after the fund was set up included $15,000 from the State, County & Municipal Employees and $10,000 from the Electrical, Radio & Machine Workers. A number of other unions announced contribution plans or were putting the issue to their governing bodies.

The government's retaliation against the PATCO strikers apparently extends beyond the dismissal notices sent out by the Federal Aviation Administration and the jail terms and fines that have been levied by judges in many parts of the nation.

The Dept. of Housing & Urban Development notified its regional offices that the fired controllers were not eligible for an HUD program designed to avoid foreclosure when a home buyer has missed mortgage payments because of unemployment or other temporary circumstances beyond control.

"If the mortgagor's default was caused by loss of employment related to the PATCO action, the application should be rejected," the HUD memo said.

MSGR. GEORGE G. Higgins is the trustee for the PATCO Family Fund and AFL-CIO Community Services Director Walter G. Davis directed his field staff to set up machinery for assistance on the basis of need in localities where air controllers live.

Some state and local central bodies had already launched community assistance programs, and AFL-CIO President Lane Kirkland notified them to coordinate their activities with the community services operation.

President Jesse M. Calhoon of the Marine Engineers, with which PATCO is affiliated, expressed his union's appreciation in a letter to Kirkland.

He cited "the outstanding aid and support that you, the Executive Council, and all of the departments of the AFL-CIO have rendered" to PATCO and its members. "It has been a real pleasure to watch the machinery of the AFL-CIO start up

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AFL-CIO News

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Real Wages Drop 2.9%, Prices Shoot Up Again



THREE-STORY TALL sign calling attention to the AFL-CIO Solidarity Day demonstration is displayed outside the Machinists' headquarters in Washington. The IAM also posted a 50-foot Solidarity Day sign on an adjacent building.

Outlook Dim As Interest Rates Soar

Inflation jumped back into the double-digit column in July, sending the buying power of the average worker's paycheck tumbling.

The consumer price index rose 1.2 percent—which would amount to an annual rate of 15.2 percent if compounded. The rise was the largest month-to-month increase since the spring of 1980 and pushed the price index 10.7 percent above a year ago.

Real spendable earnings for the average worker—what was left after taxes and after inflation—dropped eight-tenths of 1 percent in July, despite a rise of four-tenths of 1 percent in the dollar amount of paychecks.

OVER THE PAST 12 months, the Bureau of Labor Statistics reported real spendable earnings have declined by 2.9 percent.

The price-wage reports came on the heels of other economic findings that pointed to a continuing deterioration in the position of America's workers.

Some examples:

- The real income of American families dropped 5.5 percent last year, the steepest decline since the Census Bureau began compiling the data in 1947. **(Story, Page 3.)**

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Kirkland Hits Weakening

Curb on Discrimination Eased for Contractors

New rules drastically weaken enforcement of anti-discrimination programs for federal contracts, AFL-CIO President Lane Kirkland charged.

Instead of strengthening enforcement, as the AFL-CIO had urged, the Labor Dept. is now proposing to exempt 75 percent of all companies doing business with the government from many of the requirements intended to encourage hiring of qualified women and minorities.

The AFL-CIO and 37 other civil rights, women's and labor organizations had appealed to the Reagan Administration to reconsider the "drastic changes" in contract compliance it was contemplating.

THE RULES CHANGE proposed by the Office of Federal Contract Compliance Programs "confirms that the fears we expressed earlier this year were warranted," Kirkland said.

The AFL-CIO Executive Council, he stressed, had also warned that weakening of the anti-discrimination standards would amount to "backsliding" in 40 years of effort under both Democratic and Republican administrations to counter discrimination by government contractors.

The AFL-CIO will study the proposals, Kirkland said, and "in consultation with our colleagues in the civil rights and women's movements, we will take appropriate steps to maintain an effective federal contract compliance program."

Joyce Miller, president of the Coalition of Labor Union Women, called the proposed rules "a disaster, a clear message to the enemies of equal opportunity for women and minorities that they can feel free to evade and avoid the law." Miller is also an AFL-CIO vice president and a vice president of the Clothing & Textile Workers.

STEELWORKERS Vice President Leon Lynch, chairman of the union's civil rights committee, attacked the plan as "an effort by the Administration to dismantle years of progress in human rights." Lynch

(Continued on Page 2)

Two Postal Unions Ratify New Contracts for 500,000

Two unions representing half a million employees of the U.S. Postal Service have overwhelmingly ratified new three-year contracts that include an uncapped cost-of-living escalator on top of pay raises and bonuses totaling $2,100 over the contract term.

The vote by the Letter Carriers (NALC) was 124,316 to 20,316—a margin of better than 6-to-1 for ratification.

MEMBERS OF the Postal Workers (APWU) voted 149,595 for ratification to 36,595 opposed.

The two unions bargained together and members of both unions voted in a mammouth mail referendum, tallied by teams of counters and watchers in an around-the-clock operation.

The agreement, which had the endorsement of the leadership of both unions, calls for a $300 salary increase each year, plus an annual productivity bonus of $350. In addition, there is a one-time $150 bonus on ratification of the contracts. Postal salaries averaged $21,146 before the new increases.

Semi-annual cost-of-living increases, on a formula of 1 cent for each 0.4 increase in the consumer price index, will con-

(Continued on Page 2)

Kirkland to Attend Solidarnosc Parley

AFL-CIO President Lane Kirkland has accepted the invitation of Solidarnosc President Lech Walesa to attend the first National Congress of Poland's trade union federation.

Kirkland and Martin J. Ward, president of the Plumbers & Pipe Fitters and chairman of the AFL-CIO Committee on International Affairs, will represent the AFL-CIO at the Gdansk convention. The Solidarnosc movement rose from the 1980 shipyard strike in Gdansk that Walesa led.

Kirkland and Ward will be in Poland Sept. 26-29, during the second part of the Solidarnosc meeting. They will be accompanied by AFL-CIO European Rep. Irving Brown.

The AFL-CIO over the past year has raised more than $250,000 through its Polish Workers Aid Fund and provided office and printing equipment requested by Solidarnosc.



TELLERS COUNT ballots mailed in by Letter Carriers on the ratification of a new three-year agreement with the U.S. Postal Service. In an adjoining room, ballots from members of the Postal Workers were being tallied. Members of both unions overwhelmingly ratified the contract that provides pay raises, bonuses and an uncapped cost-of-living escalator.

Postal Unions Approve Pact For 500,000

(Continued from Page 1)

tinue without a cap, which postal management had sought to impose. The previous three-year contract had brought union-represented workers $3,619 in cost-of-living adjustments.

THE POSTAL negotiations got off to a stormy start last spring, when Postmaster Gen. William F. Bolger sought unsuccessfully to get the National Labor Relations Board to hold a new representation vote before the start of bargaining.

After the NLRB rebuffed postal management, the parties faced each other across the bargaining table but progress was minimal until the July 20 contract expiration deadline neared.

The unions accused postal management of trying to provoke a strike and the postmaster general sent every employee a paycheck message that any striker would be fired.

But with federal mediators on the scene as the deadline neared, the parties moved together sufficiently to "stop the clock" to allow continued negotiations. Sixteen hours later, an agreement was reached, subject to ratification.

TWO OTHER unions that bargain nationally for smaller groups of postal employees, negotiated separately with the U.S. Postal Service.

The unaffiliated Rural Letter Carriers has sent a tentative agreement to its state units for ratification. The Mail Handlers division of the Laborers chose to invoke the fact-finding procedure of the Postal Reorganization Act for resolving a bargaining impasse.

A three-member panel was convened with a member named by the union and a member named by management, who together chose a third member—Arvid Anderson, head of the New York City Office of Collective Bargaining.

If the fact-finding procedure does not lead to a settlement, the law provides that a separate arbitration board be named to render a binding decision.

The collective bargaining provisions for the U.S. Postal Service, which is a semi-autonomous government operation, stem from a reorganization law that was enacted in 1970 after long delays in getting pay raise legislation through Congress erupted into postal walkouts in major cities that reduced mail service to a trickle.

Top level negotiations, in which both the AFL-CIO and Cabinet heads in the Nixon Administration were directly involved, brought agreement on collective bargaining for the postal service.

Cutbacks in Social Security Protection Protested as Not Needed, Not Justified

New York—Cutbacks in social security protections being urged by the Reagan Administration are neither justified nor necessary for the system's financial health, former Social Security Commissioner Robert M. Ball testified.

Ball spoke for the 90 organizations in the labor-endorsed Save Our Security coalition at hearings held here by Sen. Daniel P. Moynihan (D-N.Y.) to spotlight issues in the social security battle being waged in Congress.

When the Senate returns after Labor Day, one of its early showdowns will be a decision on whether to restore the minimum social security benefit that Congress liminated in its budget reconciliation bill.

The house had some quick second thoughts on the issue, voting overwhelmingly to restore the $122-a-month minimum benefit. But the Senate put off action until after the recess.

Ball noted that the massive cuts that the Administration proposed last spring were "so horrendous" that Congress isn't about to enact them all. They would add up to an overall 25 percent cutback in social security protection, including more than a 40 percent reduction in benefits for persons choosing retirement at age 62.

"Perhaps the greatest danger to social security in the proposals," Ball suggested, "is that recommending such drastic cuts may accustom the American people and their representatives in Congress to the idea of accepting additional cuts in social security protection, even though short of what the Administration recommends."

BALL PRESENTED a detailed refutation of the scare talk of approaching "social security bankruptcy, and outlined relatively simple proposals involving reallocation of contribution rates among the various social security funds and standby authority for borrowing from the general treasury.

He questioned whether Congress should accept projections of economic conditions, demographics and workforce size in the next century as a firm basis for revamping the system.

"It is difficult to escape the conclusion that the Administration, in proposing these cuts, has more in mind than social security," Ball said. "Slashing social security benefits would make a major contribution to the Administration's goal of balancing the general budget," he noted, and to the objective "of reducing the size and scope of federal programs."

As to the minimum benefit, Ball termed its continuation by Congress "a matter of major principle."

He noted that the persons now receiving the $122-a-month payment "have met all the requirements in present law. They have submitted their proofs; their claims have been adjudicated; they have received a notice bearing the signature of a high official of the United States government, the Commissioner of Social Security, telling them what they are entitled to."

It would be "a clear breach of faith," he charged, for the government "to change the rules retroactively."

Quarterly Drop in Output Greater Than First Estimate

The nation's economy was weaker than previously thought in the second quarter, declining at an annual rate of 2.4 percent —a dramatic turn downward from the way the year started.

In a preliminary estimate last month, the Commerce Dept. had pegged the second-quarter decline in "real" gross national product at a 1.9 percent annual rate. That followed a sharp gain of 8.6 percent in the first three months of 1981. Real GNP is the value of the nation's total output of goods and services after squeezing out inflation.

THE GOVERNMENT reported that GNP reached $2.9 trillion—$2,881.6 billion—during the April-June period at a seasonally adjusted annual rate. Before adjusting for inflation, GNP was up 4.1 percent at an annual rate.

Senior Commerce Dept. Economist Theodore Torda said that "it's too early to say whether we'll have a plus or minus GNP" in the current July through September quarter. "I think it will be very close," he said.

The Commerce Dept. said that the major weakness in the economy was in final sales, which dropped 5.1 percent in the April-June quarter after rising 6.9 percent in the first quarter.

Unsold autos and the construction slump were major factors in the economic downturn. Automakers overproduced in the second quarter, and dealers now have a three-month supply on hand. The second quarter did see the automakers post their first profits in almost two years, but "it's somewhat of an artificial number," Torda said, because among the cars Detroit counted as sold were those sold to dealers.

The revised figures also showed that prices, as measured by a broad GNP-based gauge which economists consider the most reliable measure of inflation, rose at a 6.6 percent annual rate in the second quarter. The figure is a marked slowdown from the 9.8 percent pace of the first period.

Veterans Alerted on Cutoff Of Educational Benefits

Time is running out for eligible veterans to use educational benefits of the GI Bill, the Veterans Administration reports.

Under the law, a veteran is entitled to such benefits within 10 years after his discharge from the military service, or by Dec. 31, 1989, whichever is earlier. This year the eligibility of 900,000 of the 4.3 million vets now entitled to benefits will run out.

Anti-Discrimination Rule Weakened

(Continued from Page 1)

termed Administration claims that the weakened regulations only eliminate paperwork a "cosmetic cover-up" for the signal to employers that it is all right to resume discriminatory practices.

The proposed new rules have not won universal favor within the government. The Equal Employment Opportunity Commission has disagreed publicly with OFCCP over major issues including the sharply increased threshold for compliance and asked for further study before the final rule takes effect.

An earlier set of rule changes, drafted by the Carter Administration, would have tightened many affirmative action obligations for companies doing business with the federal government and expanded the role of unions in compliance programs.

THOSE REGULATIONS were to have taken effect Jan. 29, but were "frozen" for review by the Reagan Administration. The new rules, issued Aug. 25, sharply scale back affirmative action planning, reporting, documentation and other compliance standards.

Smaller contractors are primarily exempted, but the relaxation of anti-discrimination programs will also apply to many larger employers.

The new rules are open for public comment for 60 days with final action a month after that.

Among the changes proposed is a rule that will raise the threshold on who is required to file a written, detailed affirmative action plan. Currently, the rule applies to all contractors with at least 50 employees and having $50,000 in annual federal contracts. Under the Reagan Administration proposals, only employers with at least 250 employees and $1 million worth of contracts will be required to file.

Pre-award reviews of a contractor's hiring patterns will be discontinued completely.

Other changes include:

- Permitting larger employers to file "abbreviated" affirmative action plans.
- Requiring only one plan to be filed covering companies under "the same chain of command."
- Exempting construction firms from filing affirmative action plans covering non-construction employees.
- Narrowing the requirements for the appropriate number of women and minorities who should be employed by federal contractors in different parts of the country.
- Eliminating many requirements for recordkeeping and documentation, and lengthening the compliance review period.

In addition, the new OFCCP plan drops the Carter Administration's proposal that would have required notice to bargaining agents that the employer was to undergo a compliance review and expanded union participation in the review process where conditions covered under bargaining agreements were involved.

THE NEW RULES only permit unions to "present their views" to OFCCP's director "prior to any resolution between OFCCP and the contractor" on compliance efforts that would effect collective bargaining agreements.

Regulations which would have improved access by women and minorities to training and recruitment programs are also scaled back sharply.

Pushed Into Poverty

Index of Family Income Takes a Record Plunge

A combination of sharp consumer price increases and the 1980 economic downturn depressed the real income of American families 5.5 percent last year—the largest drop since 1947 when the government began compiling the records, the Census Bureau reported.

As a result of the plunge in real income, another 3.2 million persons were driven below the poverty line last year, bringing the total to 29.3 million, according to the bureau. Over the year, the proportion of the population below the poverty level rose from 11.7 percent to 13 percent.

While the median family income increased 7.3 percent, to $21,020, the 13.7 percent jump in the consumer price index between 1979 and 1980 resulted in a net decline of 5.5 percent in terms of buying power.

INFLATION ALSO raised the annual income used by the government for the poverty level to $8,414 from $7,412 in 1979 for a family of four.

The bureau's report is based on a nationwide survey of 68,500 families in March 1981. The sharp drop in real median family income was the first statistically significant annual decline since 1974-75 period and the largest since the post World War II period.

The report also noted that the increase of 3.2 million below the poverty level was one of the largest increases since 1959, the earliest year for which poverty statistics have been kept. The last largest increase came in 1974-75 when the combined impact of inflation and unemployment added 2.5 million people to the poverty rolls.

THE DECLINE in real family income was spread widely across geographic, racial and ethnic lines. However, farm families were hardest-hit with their incomes dropping 14.8 percent to $15,760, compared with a decline of 5.3 percent to $21,150 for urban families.

While the rates of decline were about the same for all families last year, whites remained in the higher income brackets—$21,900, compared with $12,670 for blacks and $14,720 for Hispanics.

The bureau reported that families living on fixed incomes, largely retirees, showed no significant change from 1979 largely because of inflation indexing of social security and other benefits.

THE REPORT also noted that the increase in poverty affected most segments of the population:

- In 1980, there were 19.7 million whites, 8.6 million blacks and 3.5 million Hispanics below the poverty level—an increase in each category from 1979.
- The number of poor children under 18 rose from 10.2 million in 1979 to 11.4 million in 1980, and the proportion of children below the poverty line increased from 16.2 percent to 18.1 percent.
- Of the four major geographic sectors of the country, only the Northeast did not experience a significant increase in the number of poor people last year.
- The incidence of poverty rose among families headed by a woman with no husband present as well as by married-couple families.

Median income means that half of the nation's families had an actual income over $21,020, and the other half below that level.

Steel Union Elects 12 Directors in District Contests

Pittsburgh—Winners of 12 of 13 elections for district directors of the Steelworkers have been announced by the union's tellers. The 13th contest will be rerun.

The union's national officers, headed by President Lloyd McBride, as well as directors of 11 other districts, were unopposed and were declared elected when the nominations deadline closed last May.

WINNERS IN the contested races are Mitchel F. Mazuca, District 4; Dave Patterson, District 6; James N. McGeehan, District 7; David Wilson, District 8; Paul E. Lewis, District 15; James M. Coyne, District 19; Walter Bachowski, District 20; Harry E. Mayfield, District 27; Harry E. Lester, District 29; Jack Parton, District 31; Obert J. Vattendahl, District 32; and Eldon D. Kirsch, District 33.

In the election in District 30, Edward O. Zeuch outpolled Donald G. Kerns by 216 votes, but both candidates filed protests. The district covers all of Indiana except the four northwest counties as well as parts of northern Kentucky and southwestern Ohio.

The union's five elected tellers, who oversee the election and hold hearings on protests, found evidence of technical misuse of union facilities by both sides and called for a new election between the same candidates.

The 30 officers, who make up the steelworkers' executive board, will be installed in ceremonies on Sept. 1 at the union's Linden Hall education facility in Dawson, Pa.



REAL MONUMENTS to past leaders of the Seafarers can be found in the better lives of today's union members, SIU President Frank Drozak declared at the dedication of new facilities at the union's training center in Piney Point, Md. AFL-CIO President Lane Kirkland, shown here, and New York Gov. Hugh Carey, were among the speakers.

Seafarers Honor Leaders In Dedicating New Facilities

Piney Point, Md.—Paul Hall, George Meany and A. Philip Randolph left an indelible stamp on the modern American labor movement as educators, agitators and organizers, AFL-CIO President Lane Kirkland said at a Seafarers dedication ceremony here.

Kirkland and a host of notables including the governor of New York and the commandant of the Coast Guard took part in the formal opening of new facilities at the Harry Lundeberg School of Seamanship, the SIU's unique training facility on the Chesapeake Bay.

THE BUILDINGS and facilities, including the new Paul Hall Library, were named in honor of SIU leaders of the recent past.

Hall, who headed the Seafarers for 23 years, served on the AFL-CIO Executive Council with Meany and Randolph, and Kirkland spoke of the similarities and differences of the three men who died within a 13-month span in 1979-80.

When Hall was born in Alabama in 1915, Randolph, at the age of 26, was already championing the cause of black workers in New York's Harlem, an intellectual and magazine editor who was to build a small union of sleeping car porters into the base for a civil rights revolution. And Meany, just becoming a journeyman plumber in the Bronx, was still seven years away from his first local union office.

"IT WAS A long way from Harlem and the Bronx to rural Alabama," Kirkland noted, and the three men were "as different in manner and personality as they were in origin."

But "together they were unbeatable," Kirkland said of the era when they served together on the AFL-CIO Executive Council. "No one could teach better than George Meany," he said. "Phil Randolph agitated without rest for 60 years" and "no one ever out-organized Paul Hall."

In addition to the Paul Hall Library and Maritime Museum, the SIU dedicated an administration building named after Al Kerr, the union's secretary-treasurer until he died at age 52 in 1972, and vocational buildings named after Paul Drozak, an SIU vice president who died of cancer at age 50 in 1977, and Charles Logan, labor educator and NLRB regional director who founded a boys' home in New Orleans where several SIU leaders were educated.

SIU PRESIDENT Frank Drozak, who succeeded Hall and is the brother of Paul Drozak, told the hundreds of invited guests that the "real monuments" to the past leaders being honored can be found in "the many thousands of seafarers and boatmen whose lives are richer and whose families are more secure" because of their contributions.

He spoke of the SIU's commitment to education and training of its members. And from the vantage of one who "grew up in the Depression and had to go to sea when I was 16," he stressed the value of education and the importance of the Piney Point school.

New York Gov. Hugh Carey came to the Maryland SIU dedication to voice his admiration for Paul Hall, whom he described as "fierce" in his opposition to injustice, racism and poverty. America is better because of Hall and his generation of SIU leaders, Carey said.

Admiral Robert Scarborough, the Coast Guard commandant, and Andrew Gibson, former head of the Maritime Administration and now head of Delta Steamship Lines and the National Maritime Council, also spoke at the dedication ceremonies.

Scarborough read messages from both President Reagan and Transportation Sec. Drew Lewis voicing support for a strong U.S. merchant fleet. Gibson expressed the belief that after years of decline, a new era of merchant fleet growth is starting.

New Reports Dim Outlook for Economy

(Continued from Page 1)

- The drop in the GNP, the nation's output of goods and services, during the second quarter of this year was greater than the Commerce Dept. had originally estimated. **(Story, Page 2.)**
- Income from dividends, interest and rent rose faster than wages and salaries over a five-year period. **(Story, Page 7.)**

Housing, food, transportation, medical costs and utility bills were the chief ingredients in the July price rise.

AFL-CIO Research Director Rudy Oswald termed the sharp increase further evidence that "tight money and high interest rates aggravate inflation rather than cure it."

HIGH INTEREST rates "continue to drive up the cost of home ownership as well as auto finance charges," Oswald stressed.

The cost of buying a home climbed at a double-digit annual rate for the third consecutive month, going up 1.6 percent in July after rises of 1.1 percent in June and 1.3 percent in May.

Food costs, which had held relatively steady earlier in the year, moved up eight-tenths of 1 percent in July on a seasonally adjusted basis. There were substantial increases in beef, pork, poultry and fresh produce.

Medical care costs advanced 1.3 percent for the month, paced by a 1.7 percent increase in fees charged by doctors and dentists. While the price of gasoline declined, the cost of public transportation and used cars more than offset the drop. The public transportation component shot up 14.7 percent.

Despite the sharp July rise, the Administration said it is continuing to stick to its prediction that the price rise for the year will be a shade under 10 percent.

Deputy Press Sec. Larry Speakes told reporters that the Reagan economic program should "begin taking effect in the next several months."

IN THE PRIVATE sector, the spendable average weekly earnings of a married worker with three dependents was $221.43 in July, measured in current dollars. That's $1.35 more than the previous month and $15.57 more than July of 1980.

But in "constant dollars," keyed to the 1977 buying power, the same worker's real spendable earnings last month came to $146.35, down from $147.21 in June and $150.70 in constant buying power a year ago.

British Jobless Rate Hits Depression Era Level

Britain's unemployment rate rose to 12.2 percent, the highest since the height of the Great Depression of the 1930s.

The increase from 11.8 percent marked the 15th consecutive month of mounting unemployment. Joblessness has more than doubled since the Conservative Party government of Prime Minister Margaret Thatcher came to power in 1979.

The Thatcher government has advocated the same economic doctrines that the Reagan Administration has espoused in the United States.

The 1970 Solution

MORE THAN 11 YEARS ago, in March of 1970, the pent-up frustrations of postal workers around the country had erupted into a strike that then, as now, was illegal.

President Nixon brought in the military to try to move the mail, as President Reagan was to bring in military air controllers to replace striking civilians.

George Meany, then the president of the AFL-CIO, issued a statement that carries the same tone as the resolution that the AFL-CIO Executive Council adopted during the first days of the PATCO strike.

IN GEORGE MEANY'S words of Mar. 23, 1970:

"The AFL-CIO deplores the use of military personnel to perform the work of civilian employees of the post office in New York or any other city.

"This action will not restore mail services nor contribute to an early resolution of the problems and circumstances which caused the stoppage of those services. It raises a specter of the misuse of military power that is foreign to this nation's traditions and principles.

"The postal workers have genuine, deep-seated problems and grievances that merit the sympathetic concern of all Americans.

"THEY HAVE petitioned their government for the redress of those grievances, so far in vain. They are loyal, patriotic citizens who have devoted their lives to the service of the public. Their reward, so far, has been neglect by their government and public indifference. They have been made the victims of partisan political maneuvering, false economy and budgetary sleight-of-hand.

"The best and surest way to bring about the restoration of full, efficient postal service, which we all desire, is not punitive sanctions, but prompt action to meet the basic needs of those workers and to resolve their genuine grievances on the basis of simple, obvious justice.

"Partisan politics and empty posturing for the sake of public image should be set aside. . . ."

THE POSTAL workers were not fired. They returned to work and high-level negotiations led to an agreement which was ratified by Congress.

The most recent contract with the U.S. Postal Service, covering half a million workers, is the direct result of the decision by a different Republican Administration to seek a resolution of a dispute rather than retribution.

As the AFL-CIO Executive Council said 11 years later of the current dispute, punishment and retribution are no substitute "for joint and constructive efforts to work out a settlement that will be fair to the controllers, the government and the flying public."

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THOMAS R. DONAHUE, *Secretary-Treasurer*

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Monetarists vs. Supply-Siders

Conflicting Economic Policies Lead to Worst Choice Result

By Gus Tyler

WHETHER HE KNOWS it or not, President Reagan is pursuing two separate and contradictory policies to "get the economy moving." By opting for both at once, he must end up with the worst of choices.

On the one hand, he goes along with the monetarist policies of the Federal Reserve Board that believes the way to battle inflation is to restrain economic growth. At the same time, Reagan goes along with the "supply-side" policies of some of his advisers who believe that the way to battle inflation is to stimulate economic growth.

If inflation is caused by too much money chasing too few goods, the monetarists say, "cut demand," while the supply-siders say, "increase supply."

Although these are obviously contradictory ways to go, it is possible in a curious way to ride both horses at the same time. This is done—as it is by Reagan—by increasing the specific immediate measures proposed by both sides in furtherance of their policies. To wit:

THE MONETARISTS seek to accomplish their ultimate goals by raising interest rates. High rates, they say, will discourage both consumers and producers from borrowing. That will cut demand, "cool" the economy, and thereby hold down inflation rates.

That policy has been in operation since 1969. Now, 12 years later, the rate of inflation is triple what it was when we entered the '70s. High rates have proven to be inflationary and recessionary as well.

But, no matter. The Administration rides that horse.

THE SUPPLY-SIDERS have their own strategy: to write tax laws that will put a greater share of the nation's income in the hands of the investing class. The theory is that making the rich richer will provide the funds for investment in a greater "supply," in making more goods and more work.

The policy is really not quite as new or original as its proponents claim. Corporations that used to carry 25 percent of the tax load in 1955 now only carry 11 percent. The investing class is loaded. But instead of putting its money into expanding facilities that now run at only 60 or 70 percent of capacity, it is pouring its funds into mergers, into gambling with commodities, into land speculation, into cornering the silver market, etc. Speculation—not production—is the name of the game.

There is no evidence that making the rich richer makes for more jobs, especially since the rest of the country has less with which to buy what the producers are supposed to produce. But there is no doubt that the Washington Post is right when it wrote: "Democrats and Republicans may argue about which party wins . . . but there can be no argument about the real winners: the well-to-do in America."

The "supply-side" tax bill is, of course, the other horse that Reagan rides.

NOW, IF YOU put both policies together, where do we end up?

The monetarist strategy gives us a tight economy in which jobs and income are scarcer and prices are higher. That's bad;

The supply-side strategy redistributes the limited income from the bottom and the middle to the top. That's worse.

The end result is a nation divided, with a few living very well at the expense of the many living poorly. That's the worst.

Labor's Struggle for Justice and Dignity

There are those in our society who would like to turn back the clock on our progress toward justice and human dignity, and they are enjoying a moment of power. They believe they can use that power to dismantle the social programs that have cushioned all Americans against economic disadvantage.

For the labor movement, and for all the American people, there can be no turning back. We have struggled too long to achieve a degree of equality and justice to let those gains be taken away.

On Sept. 19, Solidarity Day, we will demonstrate that we stand united in our dedication to a fair and humane social and economic policy.

—AFL-CIO Sec.-Treas. Thomas R. Donahue in a message to the convention of the Allied Industrial Workers convention, Aug. 26, 1981, Dearborn, Mich.

Revival of Faulty Bracero Scheme

Reagan's 'Guest' Worker Plan Ignores Plight of U.S. Jobless

The following is from an article by former Labor Sec. Ray Marshall in the current issue of the American Federationist magazine.

DESPITE ITS OWN FORECAST of the longest sustained period of high unemployment since the 1930s, the Reagan Administration has sent Congress an overhaul of the nation's immigration law which includes a "guest" worker program. The program, opposed by the AFL-CIO and most Hispanic organizations as a throwback to the failed "bracero" program of 1942-1964, would permit 50,000 Mexican nationals into the United States as temporary workers.

The ostensible purposes of a guest worker program would be to meet the U.S. demand for labor that will be content with low wages and hard work, help stem the flow of illegal immigrants and at the same time provide a continuing "safety-valve" for the exploding population of Mexico and other countries, especially those located in the Caribbean basin.

A guest worker program has natural appeal to some employers and politicians, but experiences in the United States and other countries leave considerable skepticism about the wisdom of either launching another such effort or enlarging our present small and controversial temporary worker programs.

Because workers are not commodities, it is very difficult to have a temporary flow that can be turned on and off or reversed to suit national economic needs.

THE MAIN American experience with an extensive temporary worker program was between 1942 and 1964 when the United States entered into the so-called "bracero" agreement with Mexico to import males without their families to work mainly in agriculture. At its peak in 1956, more than 445,000 braceros worked in the United States.

Braceros were deported if they displeased employers, and invited back as "specials" if they did not; this program also depressed American employment and working conditions, led to charge of bribery and corruption by those who controlled access to the program in Mexico, and strained relations between the United States and Mexico over both the treatment of braceros and the terms of the agreement establishing this program.

The bracero program did not halt illegal immigration. On the contrary, many former braceros became undocumented workers.

ADVOCATES OF a new and enlarged foreign worker program contend that such a system is an essential component of any effort to control illegal immigration, both as a way to meet the labor needs of employers who rely on the undocumented workers and to continue the "safety-valve" for Mexico and other labor-exporting countries.

Since it's absurd to say more help is needed at a time when more than 8 million Americans are out of work, proponents usually fall back on the argument that U.S. nationals "won't do certain types of work."

The employment of aliens does not prove that domestic workers will not do certain kinds of work. Aliens may be preferred by employers because they are willing to work "hard and scared" at low wages and under adverse conditions. Despite this competition from aliens, it is hard to find an occupation that Americans will not take; legal residents dominate the work forces of every industry and occupation in the United States, proving that Americans are willing to take "alien jobs."

WORKERS WITH American standards and aspirations may be less satisfied with many menial low-wage jobs than their Third World competitors, who will, at least for a time, compare these jobs favorably with those available in their homelands. But this is a temporary satisfaction because the longer they stay here the more likely foreign workers are to adopt American standards. American employers will have little motive to improve these jobs if they have a ready supply of foreign workers.

The proponents of a large-scale guest worker program are correct in arguing that the flow of people into the United States should be legalized, but this should not be done by creating an easily exploited underclass that would raise serious human rights issues and threaten the conditions of American workers.

High priority should be given to legalizing the flow of undocumented immigrants into the United States, and any program to control illegal immigration should contain provisions to grant permanent amnesty or resident alien status, to people who have worked in the United States for some time and who have not committed serious crimes.

AMNESTY IS justified by the fact that we have, in effect, sanctioned the flow of illegal immigrants into the United States by refusing to adopt an effective immigration control over its borders than any major industrial country. At any given time, for example, the INS has no more than 450 border patrol guarding 6,000 miles of border and shoreline. Those 450 border patrol guards on each shift have to be responsible for about 13 miles of border each. To put it in another perspective, there are more guards on the National Capitol and public buildings in Washington, and the INS budget is smaller than that of the police departments of most large American cities.

The Border Patrol needs to be strengthened, but employer sanctions, a fair, effective and uniform work authorization system and the other recommendations of the Select Commission on Immigration and Refugee Policy also are needed to reduce illegal immigration.

The Squeeze Tightens

Tight Money Policy, Tax Cuts To Keep Interest Rates Sky-High

THE COMBINATION of the Federal Reserve Board's tight money policy and the Reagan Administration's big tax cuts that give away future government revenues will hold interest rates in the 20 percent range for the near future, AFL-CIO Research Director Rudy Oswald warned.

Noting that the prime rate is holding at an unprecedented 10 points above the rate of inflation, Oswald saw little hope that it will return to "the normal 2 to 3 percent real rate of return" in the next three years.

He said the "very high budget deficits that are projected to result from the tax cuts will be a major factor in holding interest rates at economy-stifling levels.

Questioned by reporters on the network radio interview Labor News Conference, Oswald pointed out that the recently enacted business tax cuts will cause a "tremendous shift" of the total tax burden away from business and industry and onto individual taxpayers. He said that the corporate share will be cut by one-half by 1985, with no assurance that those savings will be spent or invested in the United States.

"CONGRESS MAY have unwittingly encouraged the export of more American jobs," Oswald said. He said that Congress should take another look at that risk and "limit those tax benefits to domestic investments," which "theoretically was promised" when the measure was under consideration.

Oswald warned that many corporations may choose to use the tax windfalls to finance mergers, such as the recent link-up of DuPont and Conoco, that produce "big increases of profits and capital gains for the stockholders," but do little or nothing to "help struggling companies expand and create jobs."

Washington Window

By Press Associates, Inc.

MOST OF THE NATION'S civilian air traffic controllers—nearly 13,000 highly trained and experienced professionals—have been fired from their jobs and told that they never will be rehired. Many of them face criminal prosecution, fines and jail terms.

Their crime? Going on strike.

Their employer? The federal government. And there's the rub.

Hours after the walkout began on Aug. 3, President Reagan went before TV cameras and ordered the controllers to return to work within 48 hours or else. The strikers were "in violation of the law," he stressed.

Reagan said the controllers had broken the no-strike pledge they signed when they were first hired. Saying that he respected "the right of workers in the private sector to strike," he added that "we cannot compare labor-management relations in the private sector with the government."

Reagan and Transportation Sec. Drew Lewis have continually played on the theme of legality to justify their harsh measures against the controllers and their union, the Air Traffic Controllers (PATCO).

As Teachers President Albert Shanker noted: "It's strange that the United States, which got rid of King George III over 200 years ago, is about the only democracy still saddled with this notion from the old monarchial days that any public 'servant' who strikes is really engaged in a rebellion against the sovereign and therefore must be severely punished."

IS IT FAIR, one may ask, that a strike by airline pilots, which could shut down all air traffic, is legal while a strike by traffic controllers, which has disrupted but not halted air traffic, is illegal? Should the deciding factor be that the pilots work for private airlines while the controllers work for the Federal Aviation Administration?

It wasn't until 1962, in an Executive Order signed by President John F. Kennedy at the urging of Labor Sec. Arthur J. Goldberg, that federal workers won protection of their right to organize and engage in collective bargaining. This right was codified in the 1978 Civil Service Reform Act.

Yet federal workers still face dismissal and legal penalties if they withhold their labor, regardless of the circumstances or the provocation. Only eight states allow any kind of job action by public employees.

The controllers, after more than a decade of dealing with an unresponsive management over issues vital to their job performance and air safety, felt they had no other recourse than to strike.

While the Administration has portrayed the strike as a dispute over pay, PATCO members emphasize that what they wanted most was better conditions in their highly stressful occupation.

THIS INCLUDES a shorter workweek, earlier retirement, a say in the equipment they use, and better training for new controllers. Most foreign air controllers have won such demands, often by strikes and other job actions.

PATCO members often compare themselves to the workers of Poland who struck "illegally" against the government. They wonder how a President and others who have praised the Polish workers can be so adamant in denying American workers the right to strike.

The no-strike clause in government contracts often is compared to the old "yellow dog" contracts, widespread in the 1920s, under which workers promised their private employers not to join a union. Members of PATCO have made comparisons with the civil disobedience movement against segregation laws in the South in the 1950s and '60s. They also draw parallels with the "illegal" sit-down strikes by auto workers in the 1930s.



TIGHT MONEY policy and tax cuts that give away future government receipts will hold interest rates in the 20 percent range for the near future, AFL-CIO Research Director Rudy Oswald, center, warned on Labor News Conference. He was questioned by Lloyd Schwartz, left, of the Fairchild Publications and Merrill Brown of the Washington Post. The AFL-CIO produced public affairs program is aired weekly on Mutual radio.



CENTENNIAL CONVENTION of the Boilermakers is opened by President Harold J. Buoy. The 1,000 delegates met in Chicago, where a group of railroad shop workers created the union 100 years ago.

Looking to the Future

Boilermakers Open Centennial Convention

Chicago—The Boilermakers launched their second century as a trade union in the city where the union was founded 100 years ago.

A commemorative film traced the highlights of the union's past, but President Harold J. Buoy stressed the present and future in his keynote address to the centennial year convention.

LABOR MUST resist a growing "conservative and anti-union" attitude in the nation, Buoy urged. He prescribed more effective communication as necessary to keep the trade union movement strong.

"We must communicate with ourselves, with employers, with Congress and with our fellow trade unionists," he urged, to turn back attempts "to lower prevailing wage rates, repeal OSHA, repress picketing rights and court foreign competition."

Buoy called for "organizing the unorganized" as the counter to non-union contractors and corporations. "Organizing is the key to the preservation of the labor movement for many years to come."

Sec.-Treas. Charles F. Moran's address to the delegates hit hard at the Administration's "trickle-down" economics.

HIGH INTEREST rates make it harder for working people to buy homes and cars, he said. "The rich are being given a host of incentives to invest and to fatten already-large corporate coffers."

The union's commemorative film, "A Century of Service," was shown for the first time at the convention. It pictured the railroad shop boilermakers who were the mainstay of the union in its early years and the evolution to cover a variety of trades including blacksmiths and iron shipbuilders. Today's union represents nearly 150,000 workers in manufacturing, shipbuilding, construction, railroads and forging.

Labor Sec. Raymond J. Donovan brought a defense of the Administration's program and approach to the convention. He said the recently enacted tax cuts "will provide the needed incentive to work harder and smarter, and to save."

Donovan told the delegates the Administration has had to "fight hard to hold the line" against groups seeking outright repeal of the Davis-Bacon prevailing wage law. The Labor Dept.'s regulatory review, he insisted, was aimed at revising only regulations "that are useless, counter-productive, confusing or punitive."

NLRB Modifies Its Policy On Union Solicitation Rights

The National Labor Relations Board struck down a 1974 board decision on union solicitation and distribution of literature during "working hours," and held that employer rules that prohibit them—without further clarification—are presumptively invalid.

The decision by Chairman John Fanning and Members Howard Jenkins, Jr., and Don A. Zimmerman overturned the board's 1974 decision in Essex International, Inc., that such prohibitions during "worktime" or "working time" are presumptively valid.

THE MAJORITY VIEW in the Essex case held that a bar against solicitation and distribution of literature during "working time" connotes only the period of time that is spent in the performance of actual job duties and does not include meal periods or breaks—times in which employees are free to engage in solicitation or distribution.

The current case involved a rule promulgated by TRW, Inc. at its Flowery Branch, Ga., facility. The employer maintained that it met the test in Essex by making clear to employees, through distribution of an employee manual seven months before issuance of the rule, that its March 1979 "working hours" prohibition did not preclude them from solicitation and distribution when not actually engaged in work. This policy, the employer continued, was reiterated in October 1979 in a posted notice to employees.

THE BOARD AGREED with the conclusion of the administrative law judge who originally heard the case that the rule violated the Taft-Hartley Act—but not on the ground taken by the judge that TRW failed to rebut the presumptive invalidity of the rule.

Instead, the board flatly rejected the principle enunciated in Essex that prohibitions against solicitation and distribution during "working time" are presumptively valid. It said it could see "no inherent meaningful distinction" between the terms "working hours" and "working time" when used in no-solicitation rules.

Clay Chosen for Sheet Metal Post

Honolulu—Cecil Clay of Charleston, S.C., has been elected secretary-treasurer of the Sheet Metal Workers by the union's executive council meeting here.

Clay, a vice president of the union since 1972, succeeds David S. Turner who is retiring after having served as secretary-treasurer for 22 years.

Prior to his election as a vice president, Clay had been business agent of Local 399 in Charleston, a post he held since 1959.

He also served as president of both the South Carolina and the Greater Charleston Building Trades Councils. Clay is an officer of the AFL-CIO central body in Charleston and of the South Carolina AFL-CIO. He is also a director of the Southern States Apprenticeship Conference.

IUE Suit Charges Sex Bias In Benefits for Male Workers

St. Louis—Charges of sex discrimination against its male employees have been leveled at Emerson Electric Co. by the Electrical, Radio & Machine Workers and the Equal Employment Opportunity Commission.

In a joint suit filed in federal district court here, the union and the agency said the company is violating equal pay laws because its health care plans provide wider coverage to husbands of female employees than to wives of male workers.

THE IUE AND its Local 1102 have charged that Emerson's three health plans each cover hospital and medical expenses for dependent spouses of female workers regardless of the condition being treated, but they limit coverage related to pregnancies of dependent spouses of male employees.

This is sex-related bias in compensation in violation of Title VII of the Civil Rights Act, the IUE asserts, since male workers must cover more medical expenses out-of-pocket than female employees regardless of the size of the medical or hospital bill.

IUE President David J. Fitzmaurice in announcing the lawsuit said the union and Local 1102 have been trying to settle the issue with the electrical and electronic products maker since 1979.

"We sought to correct this situation at the collective bargaining table," Fitzmaurice emphasized, "but the company insisted that in this respect no change in maternity provisions is required by law. Accordingly we filed a charge against Emerson with the EEOC, and this lawsuit, after our attempts to resolve this matter through negotiation failed."

FITZMAURICE praised the EEOC for supporting the union's longstanding efforts to fight race and sex discrimination in the workplace.

Local 1102 President Richard C. Goewert also stressed that the union would have preferred to resolve the benefits issue at the bargaining table.

"However, when Emerson refused to change its position," he said, "we had no choice but to take legal action to protect the rights of male employees to equal employment opportunity under our collective bargaining agreement and the Civil Rights Act."

Move Towards Merger Adopted By Screen Actors

Hollywood, Calif.—Members of the Screen Actors Guild have voted strong approval of the first step of a plan to merge with the Radio & Television Artists.

By a vote of 12,893 to 788, SAG members endorsed the initial phase of the merger program that will permit joint bargaining and ratification for national contracts covering work such as commercials and prime time television programs.

AFTRA members approved the first phase at the union's convention in July.

THE PLAN creates joint SAG/AFTRA wage and working condition committees, joint negotiating committees and a joint board of directors to handle negotiations.

Both unions are expected to begin work on the second phase of the merger plan which deals with governance and structure.

SAG Executive Secretary Chester L. Migden called the vote evidence of "membership support for greater cooperation with AFTRA" and approval of "full-scale efforts to resolve the remaining problems in Phase II."

In addition to the merger issue, the SAG ballot included two constitutional changes, both approved by the members.

ONE MEASURE will change the union's bylaws to permit a merger if it is approved by 60 percent of the members voting as a substitute for the previous requirement of approval by 51 percent of the entire membership. The second amendment permits the SAG board of directors to approve certain limited or interim contracts without a full membership referendum.

September Schedule Listed By Labor Studies Center

Two institutes, Organizing Techniques and the Union Administrator & Business Agent, highlight the September schedule at the George Meany Center for Labor Studies. Three AFL-CIO unions plan to use the center's facilities for their own training programs. Several programs were cancelled or postponed last month because of the PATCO strike and the September program is also subject to changes. The schedule:

Organizing Techniques, Sept. 13-18—An institute on the essentials of successful organizing campaigns: making the survey, picking in-plant committees, developing winning issues, making house calls and responding to employer attacks. National Labor Relations Board procedures will be reviewed.

Union Administrator & Business Agent, Sept. 20-25—A program for business agents and full-time officers to sharpen administrative skills. Classes deal with contract enforcement, working with executive boards, leadership development, involving members in union activities, office procedures and bookkeeping.

Unions using the campus for their own leadership training during September are: Communications Workers, Sept. 1-2, Sept. 13-Oct. 2; Railway & Airline Clerks, Sept. 15-18; Printing & Graphic Communications Union, Sept. 20-25.

Information about these or other labor studies programs is available from Fred K. Hoehler, Jr., executive director, George Meany Center for Labor Studies, 10000 New Hampshire Ave., Silver Spring, Md. 20903. Telephone: 301/431-6400.

UAW Pushes Challenge on Trade Act Aid

The Auto Workers are seeking trade adjustment assistance payments for UAW members and other workers who lost their jobs because of imports, but were denied benefits under an "unfair and illegal" Labor Dept. policy.

In a suit filed in federal district court in Washington, the UAW is challenging the Labor Dept.'s interpretation of a provision in the 1974 Trade Act that requires a worker to have been employed by a single firm for 26 of the 52 weeks immediately preceding layoff to be eligible for trade adjustment benefits.

The Labor Dept. has interpreted this to rule out payments to workers who did not receive regular wages for 26- weeks. It has refused to count compensation from such sources as sickness and accident pay, vacation and holiday pay, disability pay and workers' compensation, military duty pay and back pay coming from a grievance or arbitration settlement.

THIS POLICY, the UAW suit asserts, is inconsistent with both the purpose and intent of the federal law. It estimates that up to 15,000 UAW members have been denied trade adjustment assistance because of the Labor Dept.'s restrictive interpretation of the law.

The UAW also accused the Labor Dept. of heavy-handed attempts to intimidate states that have given a less stringent interpretation of the earnings requirement by threatening to cut off federal funds to the states.

Eleven individual workers have joined the UAW as plaintiffs in the case. One is a worker denied TRA for nonwage payments related to medical leave because his finger was amputated after an accident; another is a women who was denied eligibility because of maternity leave.



CHECK FOR $100,000 from the Communications Workers for the AFL-CIO's special fund to aid families of striking Air Traffic Controllers is presented to Federation Lane Kirkland by CWA Sec.-Treas. Louis B. Knecht, second from right. Joining in the presentation were CWA Executive Vice Presidents John C. Carroll, M. E. Nichols and James Booe.

Public Sector Strike Upheld As First Amendment Right

A West Virginia Supreme Court decision dismissing a damage suit arising out of a public employee strike has been getting renewed attention for its sharp contrast to punitive federal court actions against striking air traffic controllers and their union.

The link has been made despite the fact that the legal issues are not analogous. West Virginia has no state law dealing with strikes by public workers and the damage suit brought by the City of Fairmont against a union representing striking nurses at a municipal hospital was based on the common law.

WHAT HAS attracted interest to the case, however, was the refusal of West Virginia's highest court to reflect the view that a peaceful strike in the public sector is a form of outlawed conduct that must be put down with all the powers of government.

"Where public employees, who have no employment contracts with their employer, engage in a work stoppage which is peaceful and directed only against the employer" with no attempt to bar entrance to the struck facility, "there is no common law right to damages on the part of the public employer," Justice Thomas Miller declared on behalf of all but one of the five Supreme Court justices.

A concurring opinion by Justice Darrell McGraw, joined by Justice Sam Harshbarger, took a still broader stand for the rights of public workers.

"A peaceful strike by public employees is legal in West Virginia," McGraw declared without equivocation.

HE REJECTED strongly the view that public employers do not have to bargain with their workers and that public employees have "somehow limited" First Amendment protections.

In fact, McGraw wrote, public employees have the same First Amendment rights as private sector workers and their right to collective bargaining was not created by federal labor legislation but stems from the Constitution itself.

"In West Virginia," he insisted, "the right to protest against the policies of government and the right to seek redress from the government without fear of reprisal are as fundamental to our law and good sense as cornbread and beans are to our diet."

Union Donations Launch Fund for Striker Families

(Continued from Page 1)

and function like a 21-jewel watch, and we want to express a very heartfelt 'thank you.' "

AS DETERMINED controllers continued to walk the picket lines, public pressure mounted for reinstatement of the fired strikers and a return to collective bargaining.

The International Federation of Air Traffic Controllers, whose affiliates throughout the world have expressed concern at safety hazards from the loss of some 12,000 trained controllers, has sought to play a mediator role.

Transportation Sec. Drew Lewis said he and Federal Aviation Administrator Lynn Helms had no objection to talking to representatives of the international group, but reiterated that "we will not negotiate."

PATCO President Robert E. Poli welcomed the mediation effort and said the union was prepared to negotiate with Administration officials "this afternoon, tomorrow morning or at any time they are willing to sit down with us."

IN ANNOUNCING the CWA's major commitment of funds for PATCO family relief and to defend collective bargaining in the public sector, Watts said the government's firing of the controllers and the attempt to decertify PATCO as bargaining representative "sets an alarming precedent which can only be viewed as an attack on public sector unionism at all levels."

He said the CWA will work both nationally and locally "to help the air traffic controllers tell their full story."

Service Field Jobs Expected To Pace Workforce Gains

The growth of the nation's labor force will slow in the 1980s but service jobs will be the fastest growing segment of occupations, according to latest projections by the Labor Dept.

The department's Bureau of Labor Statistics projects significant gains for women and blacks, a decline of young people in the labor force and a climb in white-collar employment to more than half the workforce.

THE PROJECTIONS by BLS indicate that blue-collar employment will stabilize at about 31 percent and the sharp growth in service jobs will bring that segment to 16 percent.

Employment projections show gains over the first half of the decade from 2.4 to 2.7 million jobs, depending on differing economic assumptions. In the 1970s the average gain was 2 million jobs.

The labor force studies indicate that state and local government employment will fall behind the overall growth rate because of a drop in education jobs; that the sharp rise in service jobs will be paced by the growth in health industry employment.

MANUFACTURING jobs will grow by possibly as much as 1.6 percent in the decade with durables leading the way, resulting from defense spending and consumer demand. Non-durable manufacturing is expected to show declines in employment growth.

The BLS projections indicate that the fastest-growing industries will be computers, communications and coal mining while the slowest are expected to be petroleum refining, copper ore mining and nonferrous metal ores mining.

Depending on the projections, white-collar jobs will increase from 48.6 million currently to 60.7 million in the low-growth projections and to 64.7 million in the high-growth projection.

Service jobs are expected to rise from the present 14.4 million to a range of 18.9 to 20.1 million in 1990. In blue-collar jobs, the employment gains vary widely according to the range of economic projections.

Furniture Union Wins 4-Year Fight for Pact

Putney, Vt.—The Furniture Workers capped a four-year struggle with Staco management here by negotiating a first-time contract providing solid wage and fringe-benefit improvements.

The three-year pact gives Staco's 120 workers wage boosts totaling $1 an hour over the life of the agreement, an additional paid holiday and coverage under the union's insurance program. Also, seniority becomes the determining factor in layoffs, recalls, job transfers, and overtime.

Staco used stalling tactics and other maneuvers to try to thwart the UFWA organizing campaign but failed each time.

The company finally exhausted its legal appeals to the courts and the National Labor Relations Board, and got down to good-faith bargaining under a federal court order.

Dystrophy Association Awards Meany Fellowship

New York—The Muscular Dystrophy Association announced award of its George Meany Postdoctoral Fellowship in neuromuscular disease to Dr. Nobutaka Hirokawa of the Washington University School of Medicine in St. Louis.

The $20,500 award honoring the founding president of the AFL-CIO goes to Hirokawa for a second year. The fellowship was established in 1968 as a tribute to Meany, who served as an MDA corporate member for many years.

Rise in Investment Income Tops Increases in Paychecks

Investment income rose at a faster rate than wages and salaries over a five-year period, the Commerce Dept.'s Bureau of Economic Analysis reported.

Between 1974 and 1979, the government reported, income from dividends, interest and rent increased 74.9 percent. Earnings from employment rose only 65 percent over the same period.

THE AGENCY also traced the rate of income growth in eight geographical regions, with the Southwest, Far West and Rocky Mountain states showing the largest percentage rise and the Great Lakes, New England and the Mideast at the bottom.

In terms of per capita income, however, the more industrialized areas continued to rank above the national average. At the start of the five-year period, the Mideast stood first in per capita income, followed by the Far West and the Great Lakes region. By 1979, the Far West had moved into first place with a per capita income of $9,884. The Great Lakes area moved up to second with a $9,126 per capita income, and the Mideast dropped to third with a $9,110 average.

The Southeast, with an average income growth, remained last in per capita income, at $7,621.

$242 Million Spent On Congressional Races

Senate and House candidates spent a record $242 million on last year's congressional elections, or 23 percent more than in the 1978 contests, the Federal Election Committee reported.

Political action committees contributed $55.3 million, or about 22 percent of the total amount, to the 1980 congressional candidates, the FEC reported.

Democrats raised $129 million and spent $124 million. Republicans raised $122 million and spent $117 million, and independent or third-party candidates raised and spent $1 million.

Carter Rules Modified

OSHA Weakens Policy On Workplace Noise

The Reagan Administration has come up with a stripped down noise exposure standard that gives employers wide latitude in meeting the requirements of a "hearing conservation" program.

The hearing conservation program is a weakened version of the workplace noise regulations announced by the Carter Administration on Jan. 16 that had been scheduled to take effect in April. With the change of Administration, OSHA delayed implementation of the program, first until June 1 and then to Aug. 1, before coming out with the watered down version on Aug. 22.

The revised OSHA noise abatement policy, an AFL-CIO preliminary analysis suggests, relies on the use of ear plugs and ear muffs, rather than more effective engineering controls that unions had been calling for since the early 1970s.

Industry groups had attacked the January provisions—issued as an amendment to OSHA's 1974 noise exposure standard—as being too burdensome and expensive.

The AFL-CIO challenged the repeated delays last July in a suit still pending in a federal appeals court.

THE NEW program, which OSHA described as employing the "performance approach" in giving employers more flexibility in complying with regulations, won the strong endorsement of the U.S. Chamber of Commerce. The Chamber was one of several employer groups that challenged the Carter Administration's version of the hearing conservation program.

OSHA said the new program covers all workers, except those in construction and agriculture, who are exposed to noise levels of 85 decibels over an eight-hour shift on a time weighted average. It estimated that about 5.1 million workers at some 300,000 workplaces are exposed to this level of noise.

The 1974 OSHA noise standard set a limit of 90 decibels for workers during an eight-hour shift. But workers in such places as textile mills, canneries, lumber mills and printing plants are often exposed to noise levels above 90 decibels.

THE REAGAN plan in no way lowers the noise exposure limit from 90 decibels. Like the Carter program, it sets a trigger level for monitoring and audiometric testing of workers at 85 decibels.

The 5-decibel difference in the industrial noise range is far greater than the number indicates. Noise recorded at 90 decibels is considered to be almost twice as loud as that at 85 decibels. Some experts compare 90 decibels to the roar of a 20-ton truck at close range, and 85 decibels to the noise of a busy city street corner. Normal conversation level is about 65 decibels.

A study by the National Institute for Occupational Safety & Health shows that 15 percent of the population risks hearing impairment at exposure to 85 decibels over a long period of time and 29 percent of the population could develop material hearing impairment at 90 decibels during a working lifetime.

WHILE EMPLOYERS will still be required to monitor noise levels regularly and provide annual hearing tests for workers, OSHA has dropped many specific requirements governing monitoring and hearing tests.

One significant change in the regulation is the relaxation of record keeping and hearing equipment requirements. In the January version of the program, for example, a "qualified physician" was required to perform audiometric tests. Under the new version, the tests can be conducted by a "trained technician."

According to the preliminary analysis by the AFL-CIO Dept. of Occupational Safety & Health, the new OSHA program will sharply restrict worker rights to information and training.

Although workers will still be allowed to observe noise monitoring of workplaces, the analysis notes, "the employer is no longer obligated to explain the monitoring or to allow the worker to record the results."

THE STUDY also points out that all requirements for the posting of warning signs alerting workers of hazards in noisy areas and of the need for hearing protection in those areas have been stayed.

Another prime concern of labor safety experts is the stay of the definition of a "significant threshold shift." This means that each employer may define what constitutes significant changes in the hearing ability of his workers, the analysis noted.

OSHA said it will accept comments on the revised provisions and stayed regulations until Sept. 22. One of the questions on which it invited comment was "whether the provisions going into effect are a cost-effective alternative to the Jan. 16 rule."

'Sorry—I Can't Hear You!'



Fraser Charges Destruction Of Safety Law Enforcement

The new management of the Occupational Safety & Health Administration is planning a wall-to-wall overhaul of the agency that would effectively cut federal protections for American workers, President Douglas A. Fraser of the Auto Workers charged.

Appearing on a network television program, Fraser warned that draft proposals laid out at an OSHA field managers' conference last month "that are now under consideration, would emasculate enforcement of OSHA."

FRASER ACCUSED Assistant Labor Sec. Thorne G. Auchter of attempting to abrogate a worker's right to calling in OSHA without the employer being alerted in an effort to correct hazardous workplace conditions.

Under previous administrations, Fraser observed, "the individual worker could lodge a complaint and there'd be an inspection. Under Mr. Auchter's proposal, you would have to go to the employer first, and the employer would have to be notified before an on-site inspection could take place."

Auchter, appearing on the same program—ABC's Good Morning, America—conceded that OSHA officials are considering a number of administrative and policy changes, but he insisted that a proposal to give employers advance notice on inspection had been ruled out.

AUCHTER CONTENDED that the changes the agency is contemplating are aimed at better protecting workers.

But Fraser, citing draft documents emanating from the July 21-23 OSHA conference in Colorado Springs, said that employers would be able to head-off inspections by providing a report that the incidence of accidents at the plant is below a magic number.

Fraser also charged that OSHA is proposing to eliminate penalties on violations providing that the employer eventually complies with federal standards.

A review of the draft documents by the AFL-CIO Dept. of Occupational Safety & Health concludes that the OSHA proposals include numerous provisions of a 1980 bill authored by then Sen. Richard S. Schweiker (R-Pa.), which unions strenuously opposed. The measure never reached the Senate floor.

George H. R. Taylor, the federation's job safety director, warned in a memorandum that some directives being considered by Auchter could be more destructive to OSHA enforcement than the provisions of the Schweiker bill.

According to Taylor, among the changes under consideration that OSHA may put into effect as early as Oct. 1 are:

- No automatic inspections in response to valid worker complaints.
- Advance notice to employers on complaint inspections.
- Exemption of so-called safe manufacturing workplaces and small businesses from general schedule inspections.
- Elimination of penalties for serious and other violations for employers who abate hazards.
- Virtual elimination of repeating citations in the construction industry.
- Elimination of on-site federal monitoring of state plans.

TAYLOR SAID the proposals also call for the formation of labor-management STAR committees (Sharing the Accountability for Regulation) as a substitute for OSHA enforcement.

Fraser, commenting on OSHA's role in the STAR program, noted in the TV interview that the UAW has copies of correspondence showing General Motors Corp. is already involved in consultations with the federal safety agency.

But the problem with the program, Fraser said, is that the UAW has yet to be consulted on the OSHA-GM activities.

22,000-Strong Retail Union Votes to Join with UFCW

Chicago—The 22,000-member United Retail Workers Union, which represents supermarket and retail outlet employees in Illinois and Indiana, voted by a 3-to-1 margin to affiliate with the Food & Commercial Workers.

Balloting was conducted over a two-week period after the proposal won unanimous endorsement of the URW's leadership. It was approved by a 6,823 to 2,344 vote, and the merger will take place on Nov. 1.

UFCW PRESIDENT William H. Wynn described the United Retail Workers as a sound and progressive trade union, "and we are very proud to welcome it to the UFCW and the AFL-CIO families."

He hailed the "very positive" 74.4 percent vote for affiliation and termed the turnout of nearly 50 percent "extremely high for a mail referendum."

In stressing the need for stepped-up labor unity, Wynn said that with revolutionary changes taking place in the food industry, "we can mutually profit from each other's guidance and counsel. Together, we can do even better than we were able to do separately."

Fred Burki, executive director of the URW, said the affiliation will provide the URW the ability to deal directly with multinational corporations and aid the union in its national organizing efforts.

A majority of the 22,000 URW members is employed at Jewel food stores in Illinois and Indiana. The union also represents workers at Eisner food stores, Osco drug stores, Venture discount stores, Republic Lumber outlets and A&P food stores.

8/29/81

Correspondence about address corrections should be sent with attached mailing label to: Subscriptions, Room 209, 815 16th Street, N.W., Washington, D.C. 20006.

Network Broadcasts Set for Labor Day

AFL-CIO leaders will appear on the following radio and television programs over the Labor Day weekend, Sept. 6 and 7:

Vice President John H. Lyons on Mutual radio, Monday, Sept. 7, 12:15 p.m. EDT.

Sec.-Treas. Thomas R. Donahue on NBC radio, Monday, Sept. 7, 9:30 p.m. EDT.

President Lane Kirkland on CBS radio, Monday, Sept. 7, 7:45 p.m. EDT.

Kirkland also is scheduled to appear on the CBS television program "Face the Nation" Sunday, Sept. 6, at 11:30 a.m.

Local stations may alter program schedules and should be checked for exact broadcast time.

Reagan Slashes Federal Employees Pay Raise

By David L. Perlman

President Reagan slashed a scheduled 15.1 percent comparability pay raise for government workers to 4.8 percent and asked Congress to rewrite the law so that federal salaries will be held permanently below the private sector.

Reagan's substitute pay plan, which takes effect Oct. 1 unless Congress disapproves it, is based on the budget he drew up last winter and ignores the government's own finding that the accumulated lag in government salaries justifies a catch-up raise of over 15 percent.

Kenneth T. Blaylock, president of both the American Federation of Government Employees and AFL-CIO Public Employee Dept., charged that Reagan has shown himself "totally insensitive to government workers, who suffer from inflation like everybody else."

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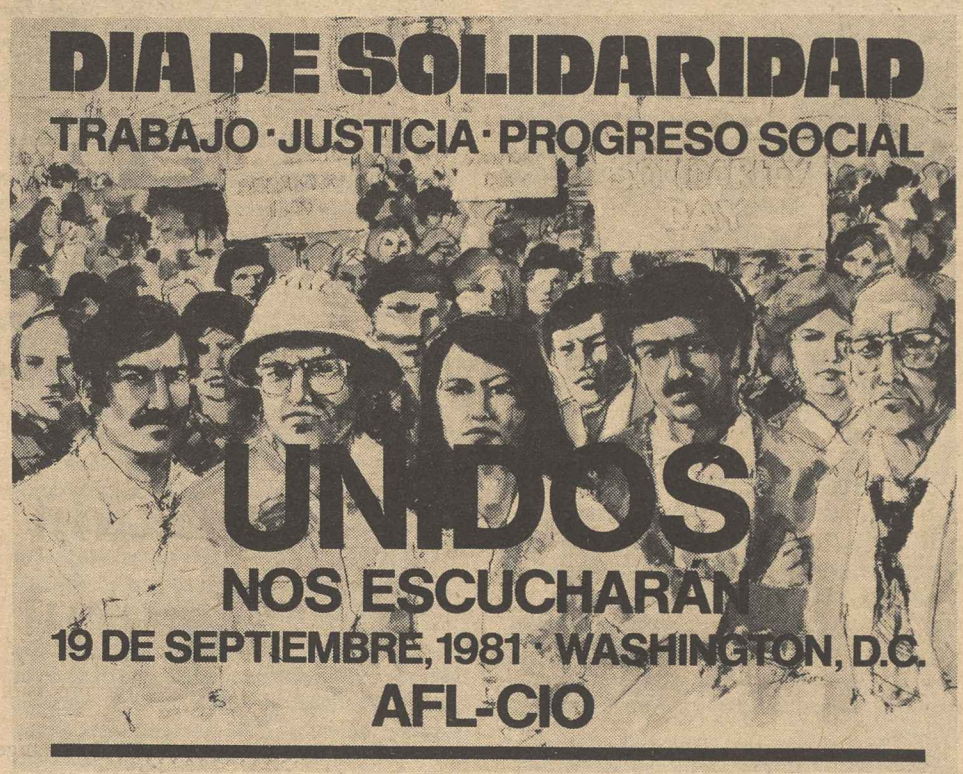
Other Presidents have trimmed back the supposedly automatic annual salary adjustments provided by the 1970 pay comparability law, Blaylock noted, but none so drastically as Reagan has proposed.

Congress has already approved a budget reconciliation bill incorporating the 4.8 percent pay raise ceiling, virtually ruling out a resolution of disapproval that would reinstate the full comparability amount. The last time Congress rebuffed a president seeking to hold down federal pay was in the Nixon Administration.

Last year, when the government's pay comparability formula showed that a 13.5 percent catch-up raise would be needed to regain parity with private sector jobs, President Carter's original budget had projected a 6.2 percent raise. But he raised the amount to 9.1 percent, to keep federal employees from slipping farther behind, after the AFGE and the AFL-CIO argued that anything less would breach the Administration's commitment to fair treatment for federal workers.

THE 4.8 PERCENT raise for the government's 1.4 million salaried employees also will serve as the ceiling for nearly 500,000 hourly paid blue-collar workers, whose pay scales are supposed to be adjusted annually on the basis of local prevailing wages. Congress, in its budget reconciliation bill, imposed the same limit

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SOLIDARITY DAY'S message, "Together we shall be heard," carries the same meaning in any language. This Spanish language poster is being used in Hispanic communities across the nation.

Kirkland Protests 'Brutal Force' Used To Punish Strikers

AFL-CIO President Lane Kirkland called on President Reagan to set aside the "brutal force" the government has used against its striking air traffic controllers and open the door to a settlement of the dispute.

"It is not too late," Kirkland urged, for the President to "instruct his representatives to sit down with those workers and address their genuine grievances."

IN SPEECHES to Seafarers and Steelworkers, in television interviews and in public statements, Kirkland hammered away at the Administration's overkill.

He cited the words of Dwight D. Eisenhower, at the time a five-star general, that "much worse than strikes . . . is the loss of freedom. . . . Only a handful of unreconstructed reactionaries harbor the ugly thought of breaking unions"

Yet today, Kirkland said, "we see the Reagan Administration, as employer, using the power of the police, the courts and the military to punish and break a small union."

THE ADMINISTRATION seeks to deny controllers the right to choose their own union, Kirkland charged. "It has jailed union leaders for responding to the wishes of the membership."

Kirkland recalled the letter that Reagan wrote to PATCO last October, on which the union relied when it endorsed his candidacy for President. "Too few people working unreasonable hours with obsolete equipment has placed the nation's air travelers in unwarranted danger."

But now, Kirkland noted, the Administration insists "that the air traffic system is safe and adequate with less than half a crew of less-skilled strikebreakers."

On the Public Broadcasting Service's MacNeil/Lehrer Report, Kirkland said the AFL-CIO has from the start of the strike urged a mediation role for "impartial third parties" to break the impasse.

HE FOUND "troubling and very dangerous" the use of military air controllers to replace strikers.

"The trade union movement has historically strongly supported the national defense of this country," Kirkland stressed. "We're concerned when we see the sons of working people, who serve in the army for the purpose of defending this country against foreign adversaries, breaking strikes"

As for the strike being over because the government fired the strikers, Kirkland retorted that "the 12,000 controllers are still standing firm, their problems still exist."

Further, he reminded the interviewer, "employers do not declare the end of a strike. The organization and its members declare the end of a strike."

Labor Day Themes Cite Renewal of Commitment

America's trade union movement approached Labor Day with a fierce determination to defend a century of achievement and a renewed commitment "to those among us for whom life is still a struggle for survival."

Labor Day statements by AFL-CIO President Lane Kirkland and Sec.-Treas. Thomas R. Donahue acknowledged the strength of labor's foes in today's political climate but insisted that the links of union solidarity will prove still stronger. **(Texts on Pages 6 and 7.)**

KIRKLAND POINTED to Poland's trade union federation, born a year ago this month, as evidence that the natural solidarity of workers "can be repressed but never extinguished."

Poland's workers, he said, "have shown the world that the fight for workers' rights is the fight for human rights."

Kirkland said American labor's pride in its accomplishments is tempered by the knowledge that not all have shared in the progress. There are still too many, he stressed, who do not have safe and healthful workplaces, decent homes, access to good schools and good medical care.

LABOR'S PRIDE, he cautioned, "should leave no room for complacency, because all victories are only temporary. What we have gained at the bargaining table and in the legislative halls down through the years can, in an instant, be swept away."

Donahue expanded on that theme, warning:

"There is a movement afoot in the country to erect new barriers, to establish an economic caste system alien to America," with "a permanently entrenched, tiny elite of the wealthy" at the top and "a permanent underclass of the unfortunate and the disadvantaged" at the bottom.

"We cannot allow this to happen," he insisted.

DONAHUE SAID the blame for destruction of labor-supported programs must fall "on a Congress which knuckled down to pressure" as well as on the Reagan Administration. "Congress surrendered to the few who stand to gain the most," Donahue said, "and agreed to the abandonment of programs and policies which have served our people and their nation well."

President Reagan and Labor Sec. Raymond J. Donovan used their Labor Day statements to voice optimism about the impact of Administration policies.

Reagan asserted that his "economic revitalization program will create more jobs and more work in an expanding economy." Donovan said the Reagan program will lower inflation and generate jobs.

Reagan's Quotes On Strike Policy 'Misread History'

President Reagan "misread history" when he sought to link the early leaders of labor to his view that a strike by government workers cannot be tolerated, AFL-CIO President Lane Kirkland said.

Kirkland quoted from union leaders from Samuel Gompers, the early president of the American Federation of Labor, to George Meany, the first president of the AFL-CIO, to answer statements made by Reagan in an address to the Carpenters convention in Chicago.

Reagan told the convention delegates that from the time of Gompers, union

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Bus Caravans to Head for Washington

By Susan Dunlop

All roads lead to Washington for labor's Solidarity Day demonstration on Sept. 19.

State and local central bodies, as well as international unions and their locals, have organized bus, car and van caravans to bring their delegations to Washington, many after cancelling air reservations in support of the striking Air Traffic Controllers.

TRAVEL TO and from the National Mall will be eased by free access to the Metro subway system all day, including trips from huge fringe parking areas near subway stops.

Parking on the Mall itself is being assigned to demonstrators with special transportation problems, particularly senior citizens and the handicapped, Solidarity Day Coordinator John Perkins said.

The Minnesota AFL-CIO, which cancelled its charter flights because of the strike, has arranged for at least eight buses. The delegation of some 400 unionists is scheduled to leave Minneapolis at 7 a.m., Sept. 18 for a 26-hour trip to Washington. After participating in the march, the Minnesotan will board their buses at 6 p.m. for the same long trip home.

AMONG THE Minnesota marchers will be a delegation from PATCO's Local 305. State Federation President David Roe said the local's check for $350 to cover its expenses for the trip would be returned and the state federation will pick up the tab to bring the strikers to Washington.

Trade unionists from Washington State, a labor and community delegation being organized by the state AFL-CIO, will make a three-hour trip overland to Vancouver, British Columbia on Friday to catch a Canadian air carrier to Toronto.

From there the demonstrators are scheduling land transportation to Washington, "by Conestoga wagon, if necessary," according to state Solidarity Day coordinator Ross Reider.

Robert Petersen, president of the Greater Washington (D.C.) Central Labor

(Continued on Page 2)



REBUILDING OF America's merchant marine is essential to national and economic security, AFL-CIO President Lane Kirkland told the Seafarers convention in Washington. Kirkland is flanked by SIU President Frank Drozak, left, and Sec.-Treas. Joseph DiGiorgio.

In Convention Action

Seafarers Offer Plan To Revive Cargo Fleet

The Seafarers convention called for long-overdue government action to reverse the steady decline of the American merchant marine.

Stressing that the United States suffers from an "appalling lack of a unified, coherent, well planned and enforced maritime policy," the 350 convention delegates adopted a five-point program that spells out the need for:

- Revitalizing the nearly scuttled dry bulk U.S.-flag fleet to carry fair shares of U.S. coal exports and strategic material imports needed for the nation's defense.
- Utilizing the merchant fleet as an auxiliary to the Navy during national emergencies for shipping supplies to free naval personnel to staff strategic vessels.
- Restructuring tax laws to encourage U.S. ship owners to build and to operate modern fleets efficiently.
- Stripping away unnecessary restrictions that put U.S. shippers at a disadvantage in the world market.
- Negotiating bilateral agreements with U.S. allies and developing countries to reserve an equitable portion of American international cargoes for U.S.-flag vessels.

SIU PRESIDENT Frank Drozak noted in his keynote address to the triennial convention that union members face difficult times as a result of Reagan Administration budgetary cutbacks. He cited in his report the urgent need to restore funding for U.S. Public Health Service hospitals vital to merchant seamen and federal construction subsidies to spur American shipbuilding.

However, Drozak said he was optimistic that President Reagan would live up to his repeated pledges to rejuvenate the merchant marine and the maritime industry.

Drozak called for maritime union unity and stepped-up cooperation from all sectors of the industry at a post-convention press conference.

"UNLESS GOVERNMENT, management and labor cooperate—map maritime strategy together and chart the same course—we will have succeeded in demolishing our U.S. fleet without even firing a single shot," he warned.

In an address to delegates, AFL-CIO President Lane Kirkland stressed that the rebuilding of the U.S. merchant marine is absolutely essential to national and economic security.

"We should have learned that lesson from the 1973 war in the Middle East and from the Arab oil embargo," Kirkland declared. "We saw runaway fleets owned by American companies giving foreign powers a veto over U.S. policy.

"Instead of learning the lesson," he observed, "our government in 1977 rejected even a limited version of cargo preference. Today we are down to a 5 percent share of our nation's import-export trade. That is a loss of 100,000 seafaring jobs, with a ripple effect on other industries and other workers."

The convention elected Drozak by acclamation to his first full three-year term. The SIU executive board choose Drozak to head the union last year following the death of Paul Hall, who was memorialized in a resolution that recognized his progressive leadership for more than two decades.

DELEGATES ALSO re-elected Sec.-Treas. Joseph DiGiorgio and 12 vice presidents. Six new vice presidents elected to the SIU executive board are George McCartney of San Francisco, Jack Caffey and John Fay of Brooklyn, N.Y., Mike Orlando of Gloucester, Mass., Mike Sacco of St. Louis and Joe Abatta of Chicago.

Drozak also had been elected president of the SIU-affiliated United Industrial Workers, which met earlier at Piney Point, Md. Steve Edney, an SIU vice president, was elected national director of the UIW.

The SIU convention approved a 50-cent increase in monthly per capita payments which will rise to $2.25 effective Oct. 1.

Other key resolutions adopted at the three-day convention called for repeal of waivers to the Jones Act, which reserves shipping between U.S. ports to American-flag vessels and manned by U.S. seamen; protection for U.S. fishing fleets from seizures by other countries; opposition to proposals for the export of Alaska oil; and government recognition of the threat to national security by U.S.-owned runaway-flag vessels.

DELEGATES GAVE strong endorsement of the AFL-CIO Solidarity Day rally in Washington on Sept. 19, urging maximum participation by SIU affiliates and members.

Convention speakers included Rep. Walter B. Jones (D-N.C.), chairman of the House Merchant Marine Committee; President J. C. Turner of the Operating Engineers; President William H. Wynn of the Food & Commercial Workers; President Robert Lowen of the Masters, Mates & Pilots; Executive Sec.-Treas. Jean Ingrao of the AFL-CIO Maritime Trades Dept. and Robert Bonitati, special assistant to Reagan.

Keep U.S. Shipyards Open, Boilermakers Delegates Urge

Chicago—Delegates to the Boilermakers convention adopted a centennial year program keyed to strengthening their union and the shipbuilding industry where about one-fourth of its members work.

The convention also expressed its concern at attacks on labor, moves to weaken prevailing wage and job safety laws, and the Reagan Administration's effort to cut back social security protections.

A RESOLUTION, strongly urged by President Harold J. Buoy, endorsed the AFL-CIO's Solidarity Day demonstration and called on union members to turn out for the march and rally.

Buoy, Sec.-Treas. Charles F. Moran and all incumbent vice presidents were re-elected without opposition. Their terms will be for five years, in line with the adoption of a resolution to increase the interval between conventions from four years to five.

Also adopted by the 1,000 delegates, representing nearly 150,000 members, was a per capita rise of $1 to take effect next January, with additional increases of 50 cents a year for the next five years.

Strike benefits were raised in two steps from $45 to $55 a week.

THE CONVENTION strongly urged continuation of the federal construction differential subsidy to encourage the building of merchant vessels in American shipyards.

AFL-CIO Metal Trades Dept. President Paul Burnsky urged a letter-writing campaign to members of Congress in support of the ship construction differential.

Building & Construction Trades Dept. President Robert Georgine underscored the threat to the Davis-Bacon Act, which he termed "one of the most progressive labor laws we have." The convention also adopted a resolution opposing efforts to transform the Hobbs Act into a weapon that could be used against unions by transforming a picket line scuffle into a felony.

In a concluding speech, Buoy told the delegates to the union's 100th anniversary convention that they had adopted a program for the Eighties that reflects a "determination to strengthen the trade union movement against attack."

All Roads Lead To Washington Solidarity Day

(Continued from Page 1)

Council, announced that arrangements have been set with the city's transportation authority for the Metro subway system to be free from 8 a.m. to midnight on Solidarity Day.

COST FOR the free Metrorail rides will be picked up by the AFL-CIO and its affiliates, Petersen said.

With priority given to assigning the limited parking spaces on the Mall to those with special needs, Petersen urged demonstrators driving into Washington to use the fringe parking areas near each subway terminus and ride the train to downtown. Maps showing locations of the lots are available from local and national Solidarity Day offices. Bus and caravan parking is also being assigned by the national coordinators.

In other developments, Perkins announced that two hours of Solidarity Day coverage will be telecast live from Washington via satellite beginning at 3 p.m. Eastern Daylight Time. The coverage, produced by the Public Interest Video Network, will be on stations of the Public Broadcasting System.

An hour of Solidarity Day highlights will also be available to PBS stations at Solidarity Day offices. Bus and caravan 5 p.m. EDT on Sunday, Sept. 20.

Typical of many individuals shunning the air routes but determined to march are eight members of International Brotherhood of Electrical Workers Local 960 in El Paso. They will make the 4,000-mile round trip, "not to set records, but to set the record straight."

Sheet Metal Union Launches Mail Campaign

Honolulu—A proposal to blunt the current anti-union attack in Congress with an outpouring of mail from union members received strong support from some 500 local officials attending the annual Sheet Metal Workers business agents conference here.

President Edward J. Carlough outlined the union's plans to mobilize support for the defense of the Davis-Bacon Act, which provides prevailing wages on federally financed construction, and opposition to right-wing proposals to rewrite the Hobbs Act so that any picket line scuffle might become a federal felony case.

"THE 'CRAZIES' are mobilizing against us, and we can't just sit still and take it," Carlough told the union business agents. "The only things this Administration understands are power and response. Let's give it to them."

Sen. Henry Jackson (D-Wash.) told the conference that "Republicans seem to have the idea that Davis-Bacon was some sort of New Deal 'socialist' idea. This idea is retroactive nonsense."

Jackson noted that Davis-Bacon was sponsored by a Republican senator—James J. Davis—who had been Secretary of Labor in the cabinets of Presidents Harding, Coolidge and Hoover—and Robert L. Bacon, a Republican congressman from upstate New York. "You know how radical they are," he said.

But the move to attack Davis-Bacon on a piecemeal basis is part of an "unraveling process" aimed at various laws that aid working people, Jackson charged.

The Washington senator, who has become a prime target for defeat by right-wing political groups, called for allocation of credit resources to stimulate the housing industry.

THE REPUBLICAN budget-cutters, he added, are trying to "make people believe social security is going broke." It isn't, Jackson said, but the Administration would like to use the scare tactics to convert social security from an insurance program to a welfare program. We can't let them do it."

David Wagner, head of the sheet metal and air conditioners employer group, warned of the continuing threat of inroads in the construction industry by non-union companies. He called for cooperation in the search for "sensible solutions to our common problems."

W. L. Fillippini, administrator of the joint union-employer National Training Fund, said the group is placing increased emphasis on offering advanced training to skilled journeymen. "It's time to turn to new programs for a new decade, and new technologies require new skills."

THE CONFERENCE was told that its pension fund has increased average monthly payments by 100 percent in eight years while strengthening its fiscal base. The union-management underemployment benefits program has paid out a total of $62 million in four different categories, and 60 locals are now covered.

The Sheet Metal Workers received praise for pushing programs for solar heating and for energy conservation through retrofitting from Omi Walden, former assistant secretary of energy and now a consultant on energy matters to the union.

She decried the elimination of the Energy Dept.'s funds for state and local grants and for energy education, and commented that it is "hard to tell what our national energy program really is."

While conservation and better utilization of domestic energy supplies has brought a cu tin foreign oil imports compared to 1973, Walden said, "today we're just as vulnerable as in 1973 from a national security standpoint."

Denver Vote Victory For Fire Fighters

Denver—City voters sided with their fire fighters in a special referendum and approved a new one-year contract for IAFF Local 858 that retains a 48-hour workweek which has been in effect since 1974.

The contract, reached under a unique provision of the city charter, includes a 12.3 percent pay raise. The city's salary proposal was similar, although more restricted. The big difference was the city's demand that the 850 fire fighters work a 54-hour week in exchange.

A RECOUNT confirmed the razor-thin victory margin. The union's contract proposal was adopted by a margin of 118 votes out nearly 45,000 cast.

Local 858 President Ron F. Moeder said the union waged a positive campaign to convince Denver's citizens of the need to maintain a higher standard of municipal fire service. Moeder praised the efforts of the Denver AFL-CIO, the Colorado AFL-CIO and locals of many international unions that helped the campaign.

An impasse developed in negotiations several months ago over the workweek issue, as well as how the pay package would be applied. The city's proposal, unlike the IAFF's, provided no pay increases for top grade linemen and lieutenants.

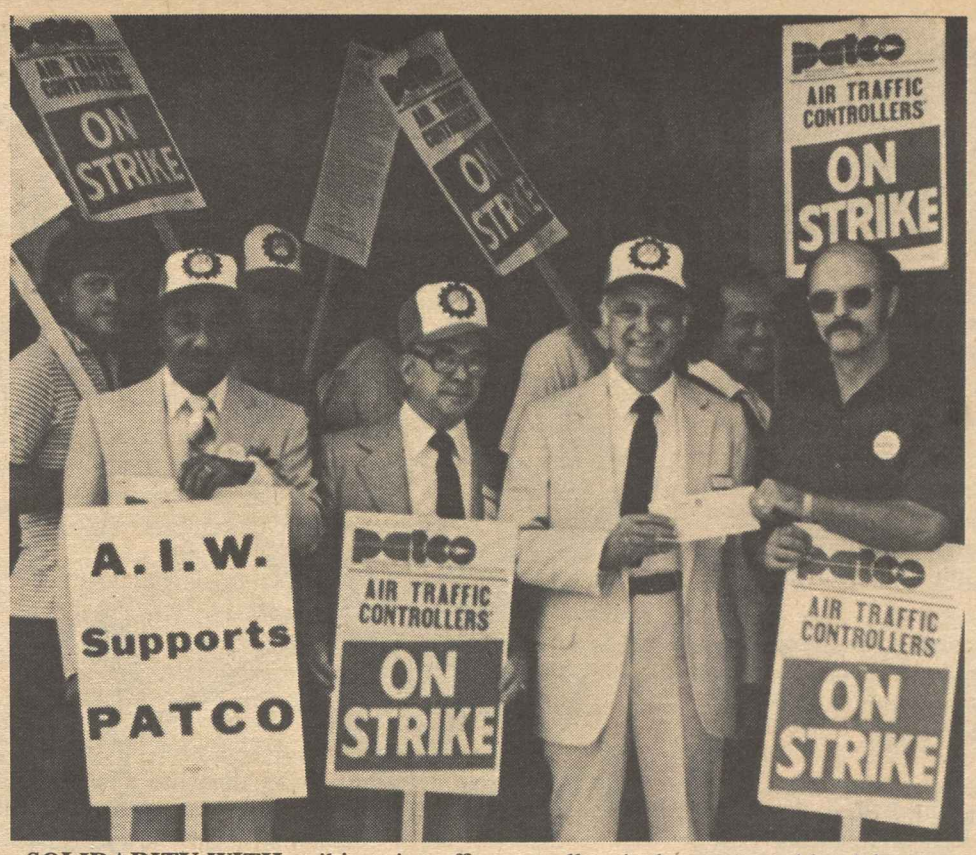
THE DISPUTE went through a fact-finding process, and an arbitrator ruled in favor of the city administration's proposal.

But under Denver's city charter, which was revised in 1979, the Fire Fighters had the right to call for a citywide referendum —if the union agreed to pay for the cost of the election.

IN AN EFFORT to put additional pressure on the Fire Fighters, Moeder noted, the city demanded that the local place $160,000 in escrow to cover the election costs.

The local raised the funds through loans, coming mainly from the IAFF headquarters in Washington and Communications Workers Local 8412 in Denver. Moeder said the loans will be repaid through an assessment of $15 a month per member over a one-year period.

The new contract goes into effect next Jan. 1.



SOLIDARITY WITH striking air traffic controllers is demonstrated by delegates to the Allied Industrial Workers convention held at Dearborn, Mich. Two busloads of delegates joined the PATCO picket line at the Detroit Airport, and brought along a check from a collection taken at the convention. In the front row are AIW Board Member Charles Street, Sec.-Treas. William J. Salamone, and AIW President Dominick D'Ambrosio, who is presenting the check to Steve Conaway, vice president of PATCO Local 321.

Allied Industrial Workers Press for Jobs Programs

Dearborn, Mich. — Delegates to the Allied Industrial Workers convention here adopted a fight-back program designed to strengthen a union that has been hard-hit by layoffs and plant closings in the recession-battered midwestern industrial states.

To recoup membership and revenue losses, the convention approved a $2 rise in minimum dues, to $11 a month. AIW locals, regional councils and the international union will share in the added revenues.

TO REVERSE the decline in jobs, the convention called for government policies keyed to full employment.

The Reagan Administration's program "is deepening a recession that has hit us right in our own shops, in our own union," President Dominick D'Ambrosio declared.

AIW membership is concentrated in Wisconsin, Michigan, Illinois, Indiana and Ohio, where unemployment has been high. Its members have been heavily employed in the auto parts industries, plastics, truck parts and bodies, all hard-hit by recession cutbacks and imports.

As a result, D'Ambrosio and Sec.-Treas. William J. Salamone reported, membership dropped from a 1979 average of 94,000 to under 72,000 this year, with a corresponding decline in per capita income.

DELEGATES ADOPTED a resolution of support for the AFL-CIO's Solidarity Day march on Sept. 19, endorsed reindustrialization goals and voted to raise strike benefits by $5 a week, to $40.

On the convention floor, delegates discussed the problems arising out of plant closings and adopted a resolution to set in motion an AIW program of technical information and assistance to locals in plant closing situations, including assistance in community services. Locals were urged to bargain protective provisions in their contracts.

Melva Meachem, who heads an Illinois State AFL-CIO program to assist worker victims of plant closings, urged delegates to initiate similar programs in their areas. She is a member of the Distillery Workers and was herself a victim of a plant closing in Peoria, Ill.

D'AMBROSIO reported to the convention on merger talks the AIW has held with the Molders Union and said the two groups had not been able to agree on terms. Before adjourning, the convention adopted a resolution calling on AIW officers "to look into the possibility of merging with a large industrial union" and "to first seek out the United Auto Workers" for discussions.

UAW President Douglas Fraser, who addressed the convention earlier, noted that the once sharp rivalry between the two unions had been transformed into a pattern of cooperation on mutual problems.

AFL-CIO Sec.-Treas. Thomas R. Donahue, unable to appear in person because of the air controllers strike, sent a message stressing the labor movement's insistence that "there can be no turning back" from the progress America has made towards equality and justice.

The Solidarity Day rally, he said, "will demonstrate to the Administration, to Congress and to the nation that we stand united."

Federal Workers Pay Raise Slashed Back to 4.8 Percent

(Continued from Page 1)

on their pay raises during the fiscal year that starts Oct. 1.

Even with the raise held to 4.8 percent, the government's top executives won't get any more money in their paychecks. They are up against a salary ceiling set by Congress of $50,112 a year.

The Salary Comparability Act provides for military pay to rise by the same percentage as the civilian increase. But both this year and last, Congress and the Administration have supported higher levels of military pay raises.

Last year, the military pay hike was 11.7 percent, and legislation awaiting final action by Congress would provide an additional 14.3 percent raise in October.

The Administration has proposed a permanent change in the comparability formula that would hold the federal salary level to 94 percent of the rate for comparable private sector jobs.

ACCORDING TO an Office of Management & Budget "fact sheet," the subpar level is in recognition of "aspects of federal employment that make it more attractive than many non-federal jobs."

The original intent of the comparability law was to provide a fair and automatic adjustment of government salary scales, without the political battles that used to occur regularly when salaries could be increased only through legislation.

Blue-collar wages had always been set on the basis of prevailing wages and the 1970 law was to apply a similar principal to white-collar employment.

AN ESCAPE clause, at first used only rarely but in recent years becoming the rule rather than the exception, allowed the President to reject the comparability formula and propose an alternative pay plan. But if either the House or Senate within 30 days passed a resolution disapproving the President's alternative, the original comparability increase would take effect.

Reagan told Congress the lower pay raise he proposed was "in accordance with our economic recovery program."

Federation Officers Bypass Air Travel

AFL-CIO President Lane Kirkland and Sec.-Treas. Thomas R. Donahue have been driving or taking the train to speaking engagements during the PATCO strike, and cancelling appearances where this can't be done.

Kirkland and AFL-CIO Vice President Martin J. Ward will take the Canadian route to travel to Poland to attend the first National Congress of the Solidarity trade union federation. They will go to Montreal by train to begin their flight, unless the U.S. air controllers are back at work before their scheduled departure.

ITU Assails 'Take-Aways' By Reagan

Montreal—Condemning the economic policies of the Reagan Administration and its efforts to dismantle "worker protections that took generations to achieve," delegates to the Typographical Union's 123rd convention here endorsed the AFL-CIO's call to the Sept. 19 Solidarity Day demonstration and urged locals and members to participate "to the maximum possible extent."

Budget cuts and harsh monetary restraints are imposing economic hardship on workers while cuts in personal and business income taxes are "further enriching the wealthy," the convention declared.

DELEGATES LABELED "unconscionable" the reductions in social security benefits proposed by the Administration and urged a campaign to ensure that "social security does not become another Reagan . . . take-away program."

Beginning in 1984, ITU conventions would be held twice every three years rather than annually — as they have throughout most of the union's 129-year history—under a constitutional amendment approved by this year's convention.

That amendment, which like all changes in the union's constitution must be submitted to membership referendum, calls for the convention to meet during the first and third years of each three-year term of international officers.

Delegates also endorsed a constitutional amendment that would provide for nomination of candidates for international office by convention delegates, replacing a nominating procedure requiring a minimum number of local union endorsements for declared candidates.

AS UNDER the current procedure, contested offices would be decided by a vote of the membership, but convention delegates would pare the field to two nominees for each office by roll-call balloting.

Another constitutional amendment would raise the maximum benefit paid striking members by $100, to $250 a week, and would trigger a membership assessment for the strike fund whenever the fund's balance fell below $5 million, replacing current $3 million strike fund floor.

In other actions, the ITU convention:

- Voted its support for striking air traffic controllers and called for the appointment of a panel of arbitrators to help resolve the dispute.
- Urged locals to seek greater membership contributions to COPE through voluntary political-action checkoffs.
- Called for the defeat of legislative proposals that would amend the Hobbs Act to make violence in a labor dispute a crime under federal extortion laws.

The convention also said that the termination of merger talks between the ITU and the Newspaper Guild last spring "should not deter us from making another effort," and declared that merger of the two unions would not only produce "a stronger union," but also improve "prospects of merger with other unions in the graphic arts field."

Fred Pieper Dies at 72, Retired Field Director

Acworth, Ga.—Fred C. Pieper, an early leader of the Auto Workers who retired in 1971 as director of the AFL-CIO Rocky Mountain region, died Aug. 27 at the age of 72.

He began his trade union career in the 1930s, helped to establish the UAW in Atlanta and served on the union's executive board. After military service in World War II, Pieper became director of the CIO Louisiana-Mississippi region and later served as field assistant to the CIO's executive vice president. He was named director of the Rocky Mountain region after merger of the AFL and CIO in 1955.

Survivors include his wife Dorothy and two sons. Services were held in Kennesaw, Ga., and burial in Acworth.

When Less Is Not Best

ONE OF THE MORE pixilated ideas being promoted by the Reagan Administration is something called "health competition" as the secret of holding down health care costs.

It assumes that "less is best" and that workers should be discouraged from negotiating comprehensive health insurance coverage.

The reasoning, if such it can be called, is that making medical and hospital services available to workers and their families at low or no cost sends them flocking to expensive specialists for treatment of cuts and bruises or lolling about in $200-a-day hospital beds.

THE LEGISLATIVE proposal being talked up by the Dept. of Health & Human Services would require workers to pay taxes on the value of employer-paid health insurance premiums above a specified amount. One variant being considered would allow workers to choose a less costly health plan than the employer provided and pocket the difference.

This "carrot-and-stick" approach is supposed to promote competition among health insurance plans to hold down premium costs. In turn, the insurance companies presumably would pressure doctors and hospitals to hold down their costs.

The reasoning boggles the imagination.

Have the framers of the plan never spent half a day in a doctor's office that they assume that the lure of free care is irresistible? Have they never spent a night in a hospital or otherwise become aware that it is hardly a substitute for a weekend at the beach?

THIS IS NOT the first time such a "health competition" plan has surfaced, and a new pamphlet by the Committee for National Health Insurance points up some of the fallacies.

For example, making buyers of health insurance cost conscious has little to do with the eventual cost of health services because doctors and not patients decide what medical tests are needed and when hospitalization is required. The medical care market is controlled by those who provide the services, not those who purchase them.

There has been strong evidence over the years that comprehensive medical care, stressing preventive medicine and early treatment, keeps people out of hospitals and shortens hospital stays. But that is just the type of program that is most likely to be penalized as too generous in its benefits.

A CASE COULD be made, in fact, that the "health choice" plan would actually drive up costs in the long run. So-called "cheap" policies often don't provide alternatives to expensive hospitalization. And any "savings" in health insurance premium costs achieved through higher deductibles merely means that people who got sick will have bigger medical bills to pay out of their own pockets.

Surely this warmed-over proposal isn't a serious Administration answer to the problem of making quality health care available to all Americans.

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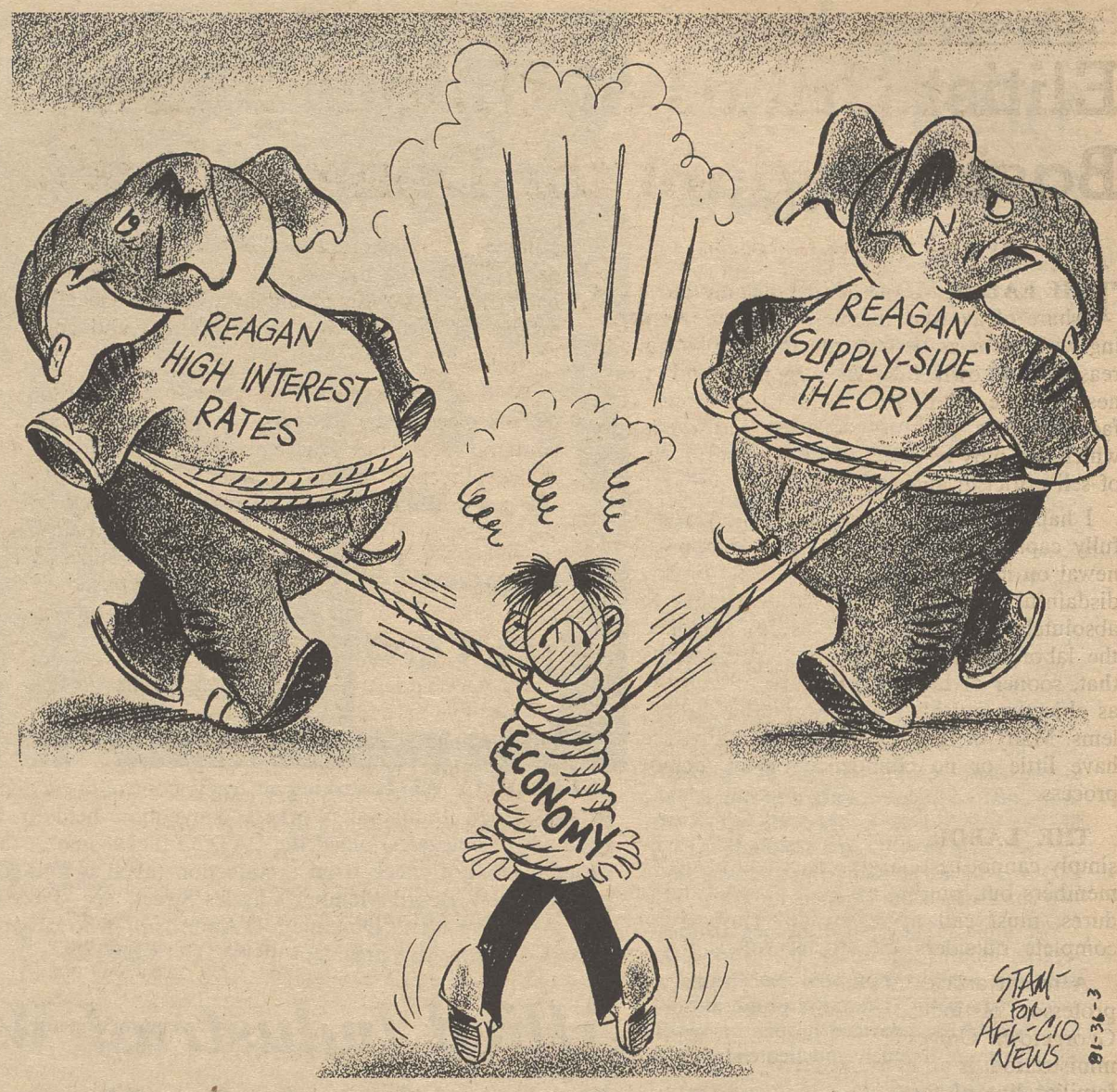
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'Lazy Worker' Myth Dispelled

Study Shows Productivity Rate Rises and Falls with Economy

By Gus Tyler

THE MOST RECENT report on productivity in American industry, issued by the Bureau of Labor Statistics, makes hash out of the popular notion that output per worker in the United States is falling because the employees of our land are getting lazier all the time.

The report, covering all of 1980, does show that productivity (output per worker) did show an absolute decline in the year, a drop of about one-half of one percentage point. But the same report also shows that the drop was not due to a shift toward sloth on the part of the workers, and was not even due to any decline in production technology in this country.

THE PROOF is not explicit: it is implicit, contained in the facts and figures on the differences in productivity trends in different sectors of the economy. For instance:

Steel showed a decline of 3.7 percent; copper fell by 9.2 percent; sawmills by 2.3 percent; and so on. In short, in certain industries productivity fell.

But in other industries, productivity rose. Coal mining jumped by a stupendous 13.8 percent; railroads by 6.4 percent; electric and gas utilities by 2.2 percent. Thus, while productivity was falling in some industries, it was rising in others.

If worker "attitude" were determinative, then we would have to conclude that workers in steel were increasingly lazy while workers in coal mining were increasingly industrious.

NOR CAN WE attribute the variances from industry to industry and from month to month to changes in technology. They just do not take place that rapidly nor that variedly from sector to sector.

There is a hidden element in productivity that generally goes unnoticed. That additional element is the level of output for the sector as a whole. When the sector picks up, productivity picks up. For instance:

"The coal mining industry posted a very large productivity increase of 13.8 percent. Coal output grew 7.8 percent."

In other words, the demand for coal, spurring increased total output per worker. Why? Because in busy times, everybody gets busy; there are fewer idle hands hanging around waiting to do something while the time clock ticks on. This is especially true for the supervisory, managerial and maintenance crews who must be kept on if things go slow.

Similarly, "productivity in railroads increased 6.4 percent as large shipments of coal and grain raised output."

THERE ARE exceptions to this rule, as in the petroleum industry, where output (total production) fell by 6.4 percent while productivity (output per person) rose by 4.5 percent.

What happened in this industry is that, instead of running all refineries at—let's say—70 percent of capacity, the industry decided to run refineries at fuller capacity while simply shutting down other refineries. As a result, many workers were totally idled but fewer workers on the job were idle during work hours.

The exception proves the rule. The rule says that when a plant is run at top capacity it is bound to be much more productive—per person—than a plant that is being run at partial capacity with idle human overhead.

Pay Safeguards Face Repeal by Regulations

For a half-century, the Davis-Bacon prevailing wage law has served as the bedrock of our philosophy that American taxpayers' money will not be used to promote the exploitation of labor.

President Reagan has promised on numerous occasions that he would not support the repeal of the Davis-Bacon Act. Yet the changes now being proposed by his Dept. of Labor in the regulations that permit the law to function will effectively repeal the Act.

The protections of the law, which two generations of working Americans have depended upon will vanish.

If the Davis-Bacon Act is destroyed, what will be the next target of the Reagan Administration? Social security? The Fair Labor Standards Act? The National Labor Relations Act?

—From a statement by Operating Engineers President J. C. Turner, Aug. 26, 1981.

Professor Knows Best

Elitist Critics of Unions Show Basic Disdain for Democracy

By Msgr. George G. Higgins

THE LABOR MOVEMENT has more than its share of avowed enemies. But while contending with them as best it can, it will also have to reassess its own internal strengths and weaknesses. Like all of our major institutions, it is faced with a crisis of identity and credibility which can only be resolved by the painful process of self-criticism and self-renewal.

I happen to think that the labor movement is fully capable of carrying out this process of renewal on its own initiative, but some of its more disdainful academic critics contend that this is absolutely impossible. They seem to think that the labor movement is in such desperate straits that, sooner or later, it will have to turn to them as objective outsiders for the solution to its problems. Many of these people, incidentally, seem to have little or no confidence in the democratic process.

THE LABOR movement, in their opinion, simply cannot be renewed from within by its own members but, putting aside its democratic procedures, must call upon the superior wisdom of complete outsiders like themselves.

A recent article by Douglas McCabe, assistant professor of industrial and labor relations at Georgetown University's School of Business Administration, is an extreme example of this all too familiar line of thought. Some weeks ago, in an op-ed column in the now-defunct Washington Star, Prof. McCabe argued that "it is useless for the rank-and-file to hope that its present leadership will become statesmen of unionism."

It is necessary, he said, for the labor movement to go back to square one and start all over again. Two steps must be taken immediately.

The first is "the drafting of a Declaration of American Labor Philosophy, just as the Declaration of Independence codified the American political philosophy."

The second step, the professor continued, is "to draft proper union constitutions adequate for implementing the principles in the Declaration of American Labor Philosophy, just as the Constitution implements the political philosophy of the Declaration of Independence."

NOW FOR THE $64 question. Who is to draft these two off-the-wall charters? The dues-paying members of the labor movement acting democratically through their duly elected leaders? No way, says Prof. McCabe, for "unlike colonial America, unionism today has no founding fathers in its ranks—willing and able to do the job; the rank-and-file can't do it in a bootstrap operation."

So what next? According to Prof. McCabe, we need "an Institute of Labor Philosophy staffed by three types of individuals: Union officials, appointees of the Secretary of Labor, and academic experts." During the past 40-odd years academia has produced dozens of similar articles. Typically, articles of this type are terribly elitist and condescending.

With all due respect, I must say that Prof. McCabe's piece takes the prize in this respect. His contempt for labor leaders as a group and for the intelligence of the rank-and-file sticks out like a sore thumb, and his lack of confidence in the democratic process is almost beyond belief. Moreover, his touching confidence in the superior wisdom of "academic experts" (as opposed to "power-hungry union leaders") is too self-serving and much too silly to be taken seriously.

IN FACT, I suspect that many of the professor's academic peers will smile indulgently at his naivete. There must be men and women in academia who know better than to believe that academicians are as smart and labor leaders as stupid as he has made them out to be.

I have cited Prof. McCabe's ivory tower article in this Labor Day column not to start a fight with him, but simply to suggest—using his article as a case in point—that criticism of the labor movement by academicians who cannot conceal their contempt for the movement and its leaders and who clearly betray a lack of confidence in the democratic process is counterproductive.

Both the rank-and-file and their elected leaders will scornfully reject this kind of intemperate criticism as just another exercise in academic snobbery. They know perfectly well that the labor movement has problems and also know that they need the help of objective outside experts to cope with these problems. But they are not about to subvert their own democratic procedures by permitting any group of outside experts, including the so-called "best and the brightest" from academia to take control of the movement from the outside and rewrite its basic philosophy.

THE MORAL of all this is that academicians who sincerely want to be of assistance to the labor movement will have to learn to mind their manners, and, above all, will have to understand that representative democracy is of the very essence of a free labor movement.

With all its limitations, the American movement still fits into this category. Though its democratic procedures are admittedly imperfect and unfortunately are sometimes violated, it is still the most democratic of all our major institutions, including, of course, our educational institutions.

This is something for academicians to think about with diffidence and humility on labor's national holiday.

End of this year's Labor Day sermon.

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Close Watch on Congress

Battle to Save Vital Programs Still Faces Legislative Test

ADOPTION OF the Reagan budget isn't the end of the effort to save vital people programs, AFL-CIO Civil Rights Director William E. Pollard and NAACP Executive Director Benjamin L. Hooks declared on Labor News Conference.

"The fight is not over," Pollard and Hooks stressed, pointing out that Congress still has to shape legislation within the framework of the budget. They warned also that as a result of the misdirected tax changes and the failure to curb unemployment, inflation and high interest rates, the Administration faces a deficit far above its original forecast and is expected to try for even deeper program cuts in the months ahead.

"We don't intend to stand by and let them cut out all of the programs," Hooks declared. He said that a major goal of the Solidarity Day protest march on Sept. 19 is to remind Congress that it must not approach the upcoming legislation and the Administration's push for more cuts with "the haste" in which the budget bill was passed.

POLLARD SAID that the "devastating effects" of the Reagan budget on children, adults, workers, professionals, minorities and women, and on civil rights laws, the Voting Rights Act, affirmative action programs and EEOC, has brought together a broad-ranging coalition in the Solidarity Day demonstration.

Pollard and Hooks were questioned by Marc Gibson of the Sheridan Broadcasting Network, June Cross of the McNeil/Lehner Report and Claude Matthews of NBC News. The AFL-CIO-produced public affairs program is aired weekly on the Mutual radio network.



Washington Window

By Press Associates, Inc.

MOST STATES and localities—like the majority of the nation's middle- and lower-income people—will be victims rather than beneficiaries of the Reagan Administration's tax and budget cuts.

Most state governments will be collecting less revenue from corporate and individual taxpayers and will be receiving less federal aid.

The result is likely to be large-scale layoffs of public employees, including teachers; reduced local government services; and an increase in regressive sales taxes and users' fees.

Under the tax legislation enacted by Congress, 40 states will lose revenues because their corporate and/or personal tax rates are based on the federal rate.

Meeting in Atlantic City in August, the National Governors' Association took a worried look at what is about to happen.

"The Administration's tax bill," the governors said in a report, "will cost states $2.3 billion in lost corporate tax revenues and higher borrowing costs" in the fiscal year beginning Oct. 1.

AT THE SAME time, "state and local governments will absorb about one-third of the $35 billion in federal aid cuts" in the budget legislation enacted by Congress, the governors said.

By far the biggest revenue losses to the states will result from changes in the way businesses are allowed to calculate depreciation write-offs, according to a recent study by Citizens for Tax Justice, a coalition of labor and public interest groups.

By 1986, the study shows, states whose tax schedules conform to the new federal depreciation rules would sustain tax losses totaling over $10 billion a year. Their corporate tax collections would have dropped by 38 percent.

Currently, 25 states will automatically conform to the federal changes unless they amend their tax laws, the study points out. These states, which "couple" their corporate tax rates to the federal rates, include major industrial states which can least afford such large revenue losses.

FOR 13 OTHER states, conformity to the new "accelerated cost recovery system" would require them to change their current tax laws. These states could avoid the corporate revenue losses by keeping their tax rates as they are.

In these 13 states, however, there is likely to be substantial pressure from business interest to change depreciation schedules to conform to the federal writeoff on plant and equipment.

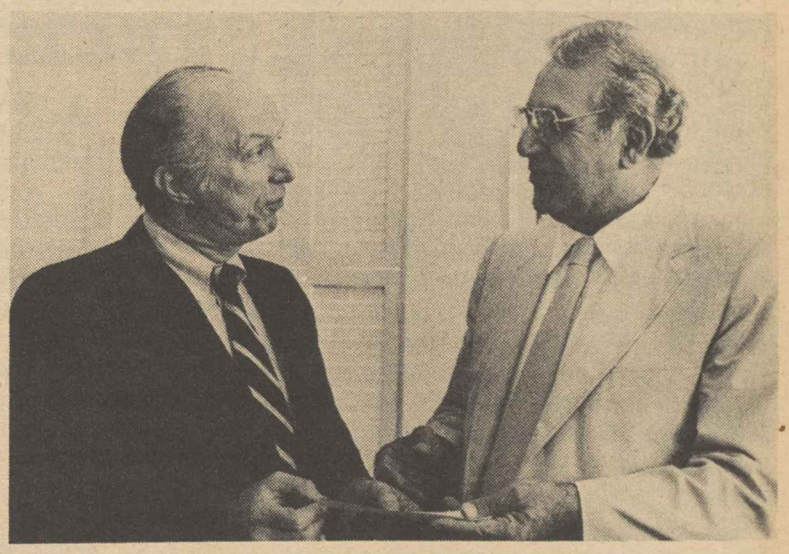
Thus the next battle over taxes will shift to the state legislatures.

The governors' report was not sanguine about the outcome of the tax fight. "States will face a choice," it said, "between a major loss of corporate tax revenues or raising their tax rates to offset losses from new depreciation schedules.

ORGANIZED LABOR, especially the public employee unions which will be most directly affected, is gearing up to oppose the depreciation ripoff.

The American Federation of Teachers predicts that 44,000 teachers across the country will be laid off this fall mainly because of state fiscal problems.

The State, County & Municipal Employees policy analyst Tim Wilson said, "We think it's unfair that corporate taxes so drastically reduced at the federal level are also reduced at the state level. The Administration rhetoric was that reduced federal taxes would allow states to increase taxes."



EDUCATION FUND in memory of slain unionist Michael P. Hammer grows by $3,000, a gift from Domei, the Japanese labor confederation, which asked the AFL-CIO to transmit its contribution. Hammer, a representative of the American Institute for Free Labor Development, was murdered in El Salvador while working on a land reform program to help small farmers. The fund, now over $15,000, will aid the education of Hammer's son as well as Latin American farm workers. AFL-CIO Sec.-Treas. Thomas R. Donahue presents Domei's check to Sam Haddad, AIFLD deputy director and trustee of the fund.

Kirkland on Labor Day

Defending 'What We Helped Build'

By Lane Kirkland

TODAY, AS IN EACH of the 87 years since Labor Day became a national holiday, we pause to honor America's working men and women.

Labor Day 1981 holds special significance for American trade unionists. This is our centennial year.

One hundred years ago this November a handful of trade unionists gathered in Pittsburgh and laid the cornerstone on which we have built the national trade union center which has evolved into today's AFL-CIO.

Their reasoning was simple: if workers needed unions to achieve collectively what they could not hope to achieve as individuals in the workplace, then it logically followed that unions should come together in a cohesive labor federation.

THE NEW FEDERATION did not supplant the individual unions or deprive them of their autonomy. They continued to concentrate on winning justice in their separate crafts and workplaces, while the federation carried that battle into the halls of our state and national legislatures.

But even to the unions of 1881 political action was nothing new. In earlier generations they had struggled to achieve the 10-hour day and to abolish child labor and the debtors' prison.

They had led the fight for free public education equally available to the children of the poor as to the children of the rich. But as these issues were resolved, the union amalgamations they sparked dissolved, and the unions went their separate ways—until 1881.

The instrument forged in Pittsburgh that year has survived a hundred years of testing. We have known good times and bad, administrations friendly and hostile, and changing climates of public opinion. We have tasted victory and defeat. Through it all we have made solid progress for the working people of America.

THE TRADE UNION movement gives expression to a fundamental human need and value—solidarity. Human beings who share common interests have a natural urge to join together to defend their interests against those who oppose them.

That need can be repressed but never extinguished, as the workers of Poland have reminded us. Against awesome odds, they have created and sustained the first free and independent trade union movement in a Communist country, and that movement—appropriately named Solidarity—has become the vehicle of a whole people's struggle for democratic rights.

They have shown the world that the fight for workers' rights is the fight for human rights.

We of the AFL-CIO are proud of our Polish brothers and sisters. As we celebrate our one hundredth anniversary, we congratulate them on their first.

In countries ruled by dictatorship, whether of the left or the right, workers are valiantly trying to form their own free trade unions and to protect them from government suppression. Sometimes their efforts are well publicized; sometimes the blanket of censorship is so thick, we hear of their unions only after they have been broken and their leaders imprisoned in psychiatric hospitals and labor camps.

But they keep trying. Solidarity runs deep in the human spirit.

OUR PLURALIST democracy is based on the assumption that people have conflicting interests and will band together for self-help and self-protection. Employers have their own associations. So do lawyers, doctors, scientists—and, yes, politicians. Because human beings play different roles in society, we sometimes band together under more than one organization —as consumers, sportsmen, veterans, or ethnics.

Americans have never been comfortable with the notion of a monolithic society in which all elements of the population are subordinated to a central authority or to a single definition of what is good for us. We prefer the conflict of ideas, the competition of interests—all within a democratic framework of fair rules.

So the trade union movement does not object to being called an interest group. We object only to being called a "narrow" interest group. The interests we represent are those of Americans in their role as workers—and they are not a narrow group. With their skills, their industry, and their productivity, they are the backbone of our economic society.

The American trade union movement has come a long way. Born in the twilight of the 19th Century, we stand now but two decades away from the dawn of the 21st Century.

In the lobby of the AFL-CIO headquarters in our nation's capital there is a mural which depicts the progress which American workers and their industries have made. In that mural is a quotation from the great Scottish essayist and historian, Thomas Carlyle, which says, "Labor is life."

WHEN CARLYLE wrote those words near the end of the last century, they were literally true. For most people life was consumed by work—hard, back-breaking, life-shortening work.

Today, thanks to the determination of American trade unions and the courage and genius of American workers, things have changed. We still respect work, but we have leavened it with leisure, alleviated sheer toil, and, in the process, enriched the lives of working people, both on the job and when the day's work is done.

Yet there are those among us for whom life is still a struggle for survival, barren of even the simplest pleasures to relieve the drudgery of their existence. There are still others for whom gainful employment and full participation in our society are beyond reach.

We have come far toward better wages, shorter hours, and safer working conditions in factories and offices, on farms and in workshops. Yet there are those among us who still do not receive the full fruits of their labor, and others for whom the workplace remains a threat to their health and safety.

There is a quality in this land of ours that we do not wish to see despoiled or pillaged. There is a dignity about the working people of this land, and we do not wish to see them demeaned or degraded. There is inspiration in our political institutions, aspiring to justice, and we do not wish to see them eroded by cynicism and despair.

We have come far toward decent schools for all of our children, decent homes for our families, decent hospitals to care for us in time of sickness, decent retirement that provides dighity and security as an earned right.

YET THERE ARE those among us to whom equal educational opportunity is still a myth and for whom rat-infested, disease-ridden slums remain the only place they can call home. There are those for whom medical care is priced beyond reach and for whom the inevitable process of aging brings anxiety and uncertainty as they face the prospect of spending their sunset years in a twilight world of abject poverty.

We have come a long way toward expanding access to the ballot box, where the promise of "government by the people" most ultimately be redeemed.

Yet for many among us, the color of their skin, or the accent of their mother tongue, or some other arbitrary and capricious measurement is used to deny them full and free access to the political process.

American workers can take pride in the progress we have made. Certainly our national economy would not be as productive nor our cultural life as enriched, nor our social and political institutions as compassionate, were it not for the determined efforts of working men and women to pull themselves up by their bootstraps, aad their country with them.

BUT THAT PRIDE should leave no room for complacency, because all victories are only temporary, and what we have gained at the bargaining table and in the legislative halls down through the years can, in an instant, be swept away.

And that instant could be upon us now. We observe Labor Day 1981 in a mood of deep concern for these are difficult and uncertain times, and we in the labor movement are troubled about the direction in which our country appears headed.

Nor are we alone. Our concern is shared by thousands of people in scores of organizations—those who believe with us in civil rights and civil liberties, in equal rights for women, in safeguarding the environment we hold in trust for generations to come, in social security and health security, in tax justice and pension protection, in a safer workplace and safer products, in quality education for all, and in equal access to the polling booth, to jobs, and to opportunity without regard to race, creed, color, national origin or gender.

We intend to dramatize the depth of our concern with a demonstration in our nation's capital on Sept. 19. We call it aptly, Solidarity Day.

We will be joined by our allies in the civil rights and women's movements, in the environmental and consumer movements. We will march with senior citizens, religious groups, and dozens of other organizations, large and small, representing people of serious purpose from every corner of the nation.

SEPT. 19 will be a day of hope, a day of rededication to the fullfillment of the American promise of a better quality of life for all of us. We shall stand together in defense of the American spirit.

There is a quality in this land of ours that we do not wish to see despoiled or pillaged. There is a dignity about the working people of this land, and we do not wish to see them demeaned or degraded. There is inspiration in our political institutions, aspiring to justice, and we do not wish to see them eroded by cynicism and despair.

The labor movement has been a part of the quality, the dignity, and the inspiration of America. What we have helped to build, we shall fight to defend.

On this Labor Day 1981, we can almost reach out and touch the 21st Century. When the year 2001 dawns, many of us will still be alive to see it. But it will be our children and their children who will inherit and inhabit that new century.

It is our duty—as trade unionists, as workers, as citizens—building on our past, to give to future generations of Americans a century free from fear and bright with promise.

Trickle-Down Theory Supreme

From a Labor Day statement by Howard D. Samuel, president of the AFL-CIO Industrial Union Dept.

A YEAR AGO the Industrial Union Dept. viewed with alarm the potential consequences of a Reagan Administration. We feared that regulatory protection for American communities and workers—such as OSHA and environmental, prevailing wage and civil rights laws—would be undermined. We predicted that unemployment would be used as a tool to keep wages down, and that the trickle-down theory would once again reign supreme.

We could see no recognition of the need to revitalize the declining U.S. industrial base, impacted by unfair competition from abroard and corporate manipulation at home. We knew that the voice of America's working men and women would no longer be listened to at the highest levels of government, and that business would have a freer hand to push back the hard-won achievements of organized labor.

The Reagan Administration now is claiming it has established a new agenda, and has done so in response to a national mandate.

ON BOTH COUNTS the Administration is wrong. The Reagan agenda is not new; it is old. It represents not a bold and creative effort to meet our problems, but instead a retreat to old blueprints which past events have long since discredited.

Despite the support of many moderate Republicans and conservative Democrats in Congress, this Administration has no legitimate claim to a national mandate. There is no question that last November a slim majority of the American people no longer felt that the Carter Administration had the answers to our problems. They were looking for an alternative.

But there is no evidence from that election, from continuing opinion polls, and from the recent special elections in a few states, that a majority of the American people wants to water down civil rights or environmental or safety laws, or turn over a larger proportion of our resources to the rich, or reduce the role of the federal government in assuring a prosperous society, with equal opportunity for all.

THERE IS NO alternative but for workers and for our allies to do everything in our power to move the Administration away from its present direction, to awaken friends in Congress to their responsibilities, to inform the American people of the peril that confronts our nation.

Our fundamental goals have not changed: to strengthen the nation's economic and political foundation so that all Americans can reap the fruits of our democratic heritage of freedom, security and equal opportunity. On this Labor Day, the Industrial Union Dept. is committed to this course.

Donahue on Labor Day

'We Find Ourselves Embattled...'

By Thomas R. Donahue

ON LABOR DAY, the nation pays respects to those who toil for a living—white-collar workers and blue, skilled and unskilled, those who work with their hands and those who work with their minds—because the enduring strength of America lies in its workers. They are the ones who have given their best efforts to build better lives for themselves, for their families and for future generations and, in the process, they have built a far better nation as well.

America was conceived as a classless nation—the Declaration of Independence proclaimed that principle when it said that "all men are created equal." Yet workers have struggled for two centuries and more to obtain some measure of that equality that was supposed to be the hallmark of our society and the birthright of its people—and that struggle continues to this day. For two centuries and more, we have struggled to tear down some of the barriers which insulated the wealthy and isolated the workers, depriving us of our right to share more fully in the wealth we have helped to produce—and that struggle continues to this day.

DESPITE OUR BEST efforts, we find ourselves, on this Labor Day 1981, embattled and in danger. What little social and economic equality we have managed to attain are in danger of being swept away.

There is a movement afoot in the country to erect new barriers, to establish an economic caste system alien to America—to create a permanently entrenched, tiny elite of the wealthy and the privileged; to press down new and onerous economic burdens upon workers and their families—the ones already carrying a disproportionately large share of the cost of government; to set in place a permanent underclass of the unfortunate and the disadvantaged; and, inevitably to set one economic class against the other.

We cannot allow this to happen.

Over the first century and a half of this country's history, we took only tiny, tentative steps toward creating a social order rooted in equity and compassion. The Declaration of Independence and the Constitution delineated our hopes, but workers had to fight tooth and nail to give them substance.

OUR PROGRESS accelerated in the past half century, from the days of Franklin Roosevelt forward. But if the pace of progress accelerated, the programs put in place from the New Deal through the Great Society were enacted neither overnight nor in haste. Far from it. They were born out of long and arduous effort, out of extensive public hearings in which the views of all parties were aired and weighed, out of lengthy and often acrimonious debate, and most of the time out of compromise between what was desirable and what was achievable.

Throughout the Administrations of eight Presidents and through 24 consecutive Congresses, these programs were opposed by those who believed in neither equality nor compassion—but they survived. Under eight Presidents and 24 Congresses, these programs were refined and enlarged to make them more effective, amended and modified to make them more efficient—and they survived.

Now we are witnessing efforts to wrench that intricate structure of social legislation from the statute books. The blame falls squarely on the shoulders of an Administration which has distorted the results of the last election into what it claims was a "mandate" for a wholesale and mindless retreat from our solemn obligations.

The blame falls, as well, on a Congress which knuckled under to pressure, not from the general public but from the wealthy and the profit-heavy corporations. Congress surrendered to the few who stand to gain the most—the people of little faith, less hope and absolutely no charity—and agreed to the abandonment of programs and policies which have served our people and their nation well.

To see basically sound and socially desirable programs tossed onto the scrap heap is bad enough; to see this happen without even the semblance of public hearings to gauge the true national temper or to debate these programs' social merits is unthinkable. Not once did the budget-cutters ask, "Are these programs useful?" All they wanted to know was, "How much do they cost?" And when they supplied their own answer, "They cost too much," the programs were thrown out the window, and the people to the wolves.

IN THE PIOUS name of a "balanced budget"—that last refuge of those who care nothing about the poor, the young, the old, the weak and the helpless, or indeed, about workers—these programs are being dismantled. We in the AFL-CIO know it's desirable to balance the government's income and outgo. But we object, and strenuously, to having, not the general welfare but the almighty dollar, be the scale on which we weigh the decision to wipe out a half century of progress.

We have been taught that politics is the art of give and take—but that speaks to the notion of compromise. There is no compromise in the great give-away-take-away game being played in Washington—the takeaway from the employed and the unemployed, from the elderly, the children, the sick, the poor; the giveaway to the wealthy, the oil barons, the stock speculators, the multinational corporations.

To our regret, the Congress acquiesced in this scheme. In the debate over economic policy, no clear battlelines were ever drawn between the two political parties. Both engaged in a gigantic bidding war—not over principles, only over imagined votes. The concept of fair play was dispensed with, tax cuts were placed on the block, and only the fat-cat bidders were allowed into the auction.

And what happened?

Social security, Medicare and Medicaid, unemployment insurance and trade adjustment assistance, public service jobs, aid to schools and students, food stamps, school lunches, benefits to the working poor, urban and rural redevelopment—local transit subsidies and aid to our cities—all were put to the ax by the political executioners.

THE $214 BILLION being withdrawn from these programs won't go to balance the federal budget—it will help underwrite $286 billion in tax breaks, most of which will be handed over to the wealthiest of individuals and the most profitable of corporations. To a mere six percent of all taxpayers—the ones earning over $50,000 a year—will go one-third of the tax cuts. To the biggest corporations—particularly the electric and gas utilities and the profit-glutted oil companies—will go another third. The rest will be dribbled out to workers and their families—pennies at a time.

Take the average American family—a worker, a spouse, and two children. If that family earns $15,000 a year, it will find the sum of $1.34 cents more in the weekly pay envelope this October, and $2.54 more next July. If the family income is $20,000 a year, October's tax cut will amount to $2.42 and in July 1982 it will go all the way up to $4.59. At the $25,000 level, the tax cut will be worth $3.59 in October and $7.01 next July.

And what does this Administration say to workers and their families? "Now don't throw this money around," the President says. "Invest it." What nonsense! The increased transit fares in most cities, higher health care costs or a gallon or two of milk for the kids, or a few cans of soup and a loaf of bread, will eat up those extra pennies each week.

THE ADMINISTRATION insists it is being fair because, it says, taxes are being cut equally across the board. The $100,000-a-year executive earns five times as much as the $20,000-a-year worker—but the executive's tax cut is going to be twelve times as large.

In the face of these gross inequities, we in the trade union movement are told not to worry. We are urged to be patient, to endure inflation and unemployment, to put up with poverty and misery, because things will somehow turn out right in the end. We are told that if the government subsidizes the rich, they, in turn, will help middle-income workers and the poor. They call it "supply-side" economics, but that's just the old, discredited "trickle-down" theory dolled up in a new dress—lavishing money on those at the top of the economic heap in the hope that some of the money will seep down, someday, to the rest of society. It's an idea which never held water in the past, and it's just as porous today.

We in the trade union movement are urged to give the Administration's economic theories a chance. These are the same theories which the incumbent Vice President ridiculed, just a little over a year ago, as "voodoo economics." These are the same theories which the President's own Majority Leader in the Senate conceded, as recently as last month, were little more than a "riverboat gamble." We agree with what the Vice President said then, and with what the Republican Majority Leader says now. We think the Administration is recklessly shooting craps with the economic destiny of America, and the dice are loaded against us.

WE IN THE TRADE UNION movement are told to stifle our dissent, but this we will not do. We would not wish to have the absence of protest be misinterpreted—we are not silent partners in the Administration's high-stakes gamble with the security of the American people and the welfare of their nation.

We are told there are political benefits to be reaped. "This is the President's program," we are told, "and when it fails, we'll pick up the pieces the next time around." We reject that counsel. Unless we undo the mischief that is being wrought, there may be no next time, nor any pieces left to pick up.

We are told to be good losers. That may be fine in games; it has no place in the grim struggle for economic survival. There is no virtue in adopting a "sportsmanlike" posture, not while our system is caving in around our ears.

We are told that, because Ronald Reagan won last November, we should just roll over and play dead. But that has never been our way, nor will it be. That would imply that ours is a lost cause—and we do not believe that to be true.

SO ON THIS Labor Day 1981, we in the AFL-CIO stand straight and proud and tall, and we proclaim our message loud and clear: We do not intend to abandon our struggle for jobs, justice and social progress. We do not intend to abandon our struggle for a more equitable distribution of the wealth of this nation.

In the hundred years of the American trade union movement, we have learned that the battle is never over. As long as we remain united in spirit and commitment, as long as we have breath in our bodies and blood in our veins, there will be no final defeat on any battleground.

We have lost a round—and we may lose another, and another. But we will always be back—again, and again. And we are going to win, because we are not going to quit. Not today, and not tomorrow.

'Only Counter-Force Is Labor'

From a Labor Day statement by Robert A. Georgine, president of the AFL-CIO Building & Construction Trades Dept.

ON A NATIONAL holiday established expressly to honor their performance, the working people of the United States, particularly the organized, find themselves battling against heavy odds merely to retain protections acquired over a century.

Many of those in power on Labor Day 1981—the politically and financially dominant—are attempting to take away those rights so hard won. Contractors and business interests and their supporters in government, openly seek to destroy the prevailing wage system. They would subvert the minimum wage by reducing it for young workers. They would scuttle the three principal laws guaranteeing the payment of that specific community's prevailing wages by contractors awarded federal government contracts—Davis-Bacon, Walsh-Healey and the Service Contract Acts.

THE ONLY counter-force capable of resisting this deadly assault is organized labor. The working people have no other champion, no other advocate, no other defender.

The gains unions have won for workers throughout the world and especially in the United States are not part of our consciousness. We don't think very often, if at all, about our advantages and how organized labor had to struggle to get them.

IF A PERSON belongs to a union his or her wages are pretty good when they work. Even if they work for a contractor who is not covered by a collective bargaining agreement, the non-union wages are almost as good because unions exist. The non-union contractor has to stay pretty close to the rate and working conditions of the unions in order to get manpower with reasonably good skills.

But keep this in mind. If the system were reversed and there were no unions, the employer could let the marketplace decide what wage rates would be, on a day-to-day basis, and what working conditions would be, too. We then would have workers competing with each other, struggling to make a living by working cheaper than a co-worker.

A union is nothing more than a fitting which joins two pieces together. Organized labor unions are joined workers who have the combined power to withstand oppressive employers and obtain that to which they are legitimately entitled.

Kirkland Voices Outrage

Dissident Soviet Worker Faces New Persecution

The AFL-CIO is "outraged" over the brutal treatment of Soviet worker Anatoli Marchenko by Soviet authorities in retaliation for his trade union and human rights activities, Federation President Lane Kirkland asserted.

In a statement condemning the arrest and trial of Marchenko for alleged "anti-Soviet agitation and propaganda," Kirkland stressed that charges against the dissident worker include his writings, public support of the Polish trade union movement, and a letter he wrote to George Meany in response to an invitation to attend the 1977 AFL-CIO convention.

KIRKLAND POINTED out that Marchenko, facing a 15-year sentence on the new charges, has already spent 11 years in prisons and labor camps and four years in exile.

He "has been subjected to unusually cruel treatment since his arrest," Kirkland said, emphasizing that Marchenko has been denied a hearing aid, in violation of Soviet law, as well as personal items such as toothbrush, soap or underwear.

"On May 19," Kirkland said, "after having learned of his situation, I sent a package to Mr. Marchenko in Vladimir prison. The package contained underwear, socks, soap, a toothbrush, and a shirt and pants for exercising."

"The package has been returned. The Soviet authorities would not allow Mr. Marchenko even these minimal hygenic necessities. The return of this package speaks volumes about the character of Mr. Marchenko's jailers and indeed of the Soviet rulers," Kirkland declared.

The federation president called on the U.S. government to intercede for Marchenko, "through whatever channels are deemed appropriate and effective."

"HIS BARBAROUS treatment," Kirkland asserted, "is not an internal affair of the Soviet Union. It is clear violation of the Helsinki Agreement."

Kirkland pressed other free labor movements to speak out on Marchenko's behalf "through every available means."

Among the evidence expected to be held against Marchenko is a letter addressed to delegates to the 1977 AFL-CIO convention to which he and five other Soviet dissidents were invited to attend by former AFL-CIO President Meany.

IN THE LETTER dated Dec. 1, 1977, but not received by the AFL-CIO until February 1978, Marchenko said he had heard about his invitation to the convention "by listening to foreign radio."

Marchenko's communication detailed low pay and oppressive working conditions as well as food shortages, inadequate housing, lack of winter heating, clothing and sanitary facilities endured by Soviet workers in Siberia.

Outlining the lack of rights and state control of all institutions and organizations in the USSR, Marchenko chided foreign visitors for favorable reports of conditions in the Soviet Union.

"When I read the estatic reports of your compatriots about my country," Marchenko said, "I would like to address them with the words of our contemporary song: 'If you envy this, you can come and sit next to me.' Yes, next by my stove, next to me on a bed without sheets, next to me in the communal outhouse, preferable in the winter time."



Lovell Nominated Under Secretary

Malcolm R. Lovell, Jr., has been nominated as Under Secretary of Labor, the No. 2 post at the Labor Dept. which has remained vacant since the Reagan Administration took office.

President Reagan also announced his intention to name Leonara Cole-Alexander as director of the Women's Bureau, another key department position that has been unfilled. Both posts require Senate confirmation.

Lovell, who served as assistant secretary of labor for manpower during the Nixon Administration, has headed a rubber industry employers association since 1973.

Cole-Alexander has been vice president for student affairs at the University of the District of Columbia since 1978 and held a similar post with American University from 1973 to 1977.

Screen Actors Tell Reagan Union Supports Controllers

Los Angeles—The Screen Actors Guild's board of directors voted to back the AFL-CIO position condemning the firing of the PATCO strikers and refusal to bargain with their union, and wrote President Reagan telling him so.

SAG rejected formal requests, however, to strip Reagan of his lifetime membership in the union in response to his actions against the controllers.

AT SEPARATE meetings of SAG's Hollywood and New York boards, motions were approved 27 to 2 and 17 to 4 to notify the President of the union's support of the PATCO strike, its concerns over air safety, and over the absence of any fair dispute resolution mechanism that would also give federal workers "proper redress of grievances."

Board members voted 21 to 1 at both meetings not to revoke the President's membership or to press formal charges of "conduct unbecoming a member."

Reagan, a former movie and television actor, was president of SAG from 1947 to 1952 and in 1960.

IN A LETTER to the President drafted by SAG Executive Secretary Chester L. Migden at the board's direction, the union said it "overwhelmingly supports" PATCO and the AFL-CIO position urging resolution of the strike.

SAG is "deeply concerned" over the government's role in the dispute, Migden said. Air traffic controllers, as citizens, should have the right "to redress grievances." Federal workers' unions without the right to strike need an acceptable dispute resolution procedure "for the collective bargaining process to work" in the public sector, he stressed.

The union told the President that requests for disciplinary action against him filed under the union's constitution were rejected because they were "inappropriate."

"The basic right to viewpoint," Migden said, "applies to all citizens including the President of the United States."

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Correspondence about address corrections should be sent with attached mailing label to: Subscriptions, Room 209, 815 16th Street, N.W., Washington, D.C. 20006.

Steelworkers Bolster Fund With $100,000 Contribution

A $100,000 contribution from the Steelworkers pushed the AFL-CIO's PATCO Family Fund near the $300,000 mark, with the total climbing with each mail delivery.

The USWA's check matched the donation the Communications Workers had made to help launch the fund, which is being administered by the AFL-CIO Dept. of Community Services. Msgr. George G. Higgins is the trustee, and money contributed will be used to assist families of discharged air traffic controllers who encounter severe financial problems.

Steelworkers President Lloyd McBride said the contribution was voted unanimously by the union's executive board.

CONTRIBUTIONS to date have come from both large and small unions, from shop and office collections, and from individuals who have mailed personal contributions to the AFL-CIO.

The Food & Commercial Workers sent in a $25,000 contribution for the family assistance fund. A $5,000 contribution from the Teachers, $3,000 from the Operating Engineers and $2,500 from the New York City Central Labor Council have been received.

Other contributions of $1,000 or over, not previously announced, have come from the Aluminum Workers, the Union Label & Service Trades Dept., and the Longshoremen.

Community Services Director Walter G. Davis said interview procedures have been set up to evaluate requests for assistance on the basis of need involving:

- Avoidance of mortgage foreclosure.
- Rental payments necessary to avoid eviction.
- Medical emergency costs.
- Payments to avoid repossession of essential household goods.
- Essential clothing for family members and funds for food when not available from other sources.
- Home fuel needs.

'A Tiny Check' to Aid PATCO Families

A retired couple from Maine made one of the first contributions to the PATCO Family Fund, a check for $10 enclosed in a letter to AFL-CIO President Lane Kirkland.

Howard and Blanche Browning were outraged at the jailing of strikers, the heavy fines against their union and other tactics they had associated with totalitarian regimes.

"We enclose a tiny check, all we can afford now," they wrote, asking Kirkland to have it cashed and used to help the union controllers. And they followed through with letters to Reagan and Maine's congressional delegation protesting the "vindictive" punishment of strikers.

Reagan's Quotes On Strike Policy 'Misread History'

(Continued from Page 1)

leaders had supported organization of government workers only on the condition that "public employees could never be allowed to strike."

IT HAS ONLY been "in recent years," Reagan contended, that "some leaders of organized labor have retreated from labor's earlier stand against public employee strikes."

Kirkland, who had addressed the Carpenters convention banquet the previous night, made these points in a later statement responding to Reagan:

- When Massachusetts Gov. Calvin Coolidge, later to become President, fired Boston policemen who struck when their leaders were suspended for affiliating with the AFL, Gompers termed the firings "an autocratic abuse of power." The 1920 AFL convention lauded the strikers in a resolution.
- In 1935, Meany himself led a successful strike against the federal government to maintain prevailing wage rates on WPA jobs.
- In 1975, while Meany was president, the AFL-CIO convention adopted a resolution calling for federal legislation covering collective bargaining in the public sector and recognizing the right to strike in public employment.

"That remains the AFL-CIO position," Kirkland said.

Kirkland stressed, however, that the real question "is not one of history, but of resolving a current dispute—the air traffic controllers strike. The issues of that dispute can only be resolved through the resumption of negotiations."

History's lesson, Kirkland said, "is that problems don't go away. They need to be faced and resolved."

Renewed Spirit Marks Labor Day

AFL-CIO News

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FROM REVIEWING STAND, in front of the New York Public Library, union leaders and dignitaries wave and applaud the six-hour Labor Day parade up Fifth Ave. There were bands, balloons, placards, banners and more than 150,000 union members participating, including striking air controllers and high-stepping Rockettes.

Observances Stress Issues For Workers

By David L. Perlman

Labor Day 1981 was a proud and joyful parade by 150,000 union members up New York's Fifth Ave., led by a 105-piece band. And it was most of the 8,987 residents of Covington, Va., turning out to watch or march with members of Local 675 of the Paperworkers.

It was a Labor Day Mass in a Washington, D.C., church, and it was a march to Detroit's Kennedy Square that was billed as "a warm-up" for union members who are coming by bus to Washington on Sept. 19 to take part in Solidarity Day.

LABOR DAY was celebrated from coast to coast with family outings and games for the kids. But under the double spur of the labor federation's centennial year and trade union outrage at the firing and jailing of air traffic controllers, union members marched and demonstrated in record numbers.

A United Press International (UPI) news item from Boise, Ida., gives some of the special flavor of this Labor Day.

In Boise, UPI reported, "unions representing just about every worker in the state carried placards in support of Idaho's air traffic controllers."

The Labor Day weekend is when the Sunday television interview programs focus on the trade union movement, and this year was no exception.

AFL-CIO PRESIDENT Lane Kirkland tried to make questioners on the CBS Face the Nation program understand that the labor movement isn't about to wither away because it is at odds with the President's economic program and doesn't have many victories in a conservative-controlled Congress.

"We're concerned," Kirkland readily agreed, at such things as weakening of job safety regulations, severe cuts in a host of programs that labor supports and the nation needs, and the continuing threat to a half-century of progress.

"We intend to fight," he said. "We state our case to Congress as effectively as we can. We call upon our allies to do the same."

FURTHER, "the nice thing about a democracy is that there's always a second chance. It isn't that the people always do the right thing, but they always have a chance to correct their errors, and there will be other elections."

Nor does the labor movement "exist solely to seek the enactment of legislation. The labor movement exists and was founded to advance the interests of working people through a variety of means . . .

(Continued on Page 3)

Complaint Filed with ILO

Air Controllers' Strike Triggers ICFTU Charges

The AFL CIO lent its strong endorsement to a complaint of the International Confederation of Free Trade Unions against the U.S. government over its handling of the air traffic controllers' strike.

The complaint, filed with the International Labor Organization's Freedom of Association Committee in Geneva, charges the U.S. government with "infringement of basic trade union rights," specifically those principles contained in ILO Conventions 87, 98, and 151 guaranteeing workers the right to strike and bargain collectively.

AFL CIO President Lane Kirkland said in a letter to ILO Director Gen. Francis Blanchard that the Reagan Administration "has, we believe, violated important conventions of the ILO in its intemperate treatment" of PATCO (the Professional Air Traffic Controllers Organizaiton) before and after the union's Aug. 3 strike against the Federal Aviation Administration, the controllers' employer.

The ICFTU complaint, drawn up at its Brussels headquarters, calls upon the ILO's Freedom of Association Committee to examine "these serious violations of basic trade union rights" by the U.S. government, and forcefully call that government's attention to its obligations and duties as a member state of the ILO.

"It is our hope that prompt action on the part of the ILO will encourage a speedy and just resolution to this dispute between the U.S. government and its employees," the ICFTU declared.

IT NOTED "with concern" that the U.S. government's rededication to the principles of human dignity and freedom as stated in a special message to Blanchard from President Reagan last June appears to have been "mislaid when dealing with workers in its own employ."

The ICFTU complaint detailed specific violations by the Reagan Administration in its intractable position toward PATCO. The U.S. government has refused to meet with the union since the strike and has refused repeated requests for mediation and conciliation, it noted. It further charged that the Administration's move to decertify the union "could be considered as being tantamount to the dissolution of the union by administrative action."

In addition, the government's refusal to bargain on safety issues raised by the union, together with its refusal to bargain at all after Aug. 3 "is a clear violation of the requirement to negotiate and obtain collective agreements," the ICFTU charged.

Other evidence of anti-union discrimination and interference in PATCO's

(Continued on Page 8)

Black Workers Struck by Surge In Jobless Rate

By James M. Shevis

Joblessness among black workers jumped to a record 15 percent in August, pushing the overall unemployment rate for the nation to 7.2 percent, an increase of two-tenths of 1 percent over the month, the Bureau of Labor Statistics reported.

For black and other minority teenagers, aged 16-19, the jobless rate last month rose to a record 45.7 percent, eclipsing the previous high of 40.9 percent registered in August 1977. The category includes Indian, Eskimo, Asian and Pacific and some Hispanic youths. For black teenagers alone, BLS said, the jobless rate for the month was 50.7 percent, an increase of 10.7 percent over the previous month.

BLS COMMISSIONER Janet L. Norwood said in a statement that there was no clear explanation why unemployment among black teenagers soared in August. They accounted for about 400,000 of the

(Continued on Page 6)

Unions Pressing Big Turnout for Solidarity Day

All stops are out in the drive to bring thousands of trade union members to Washington for Solidarity Day.

More than 35 national and international unions have prepared mailings to members' homes, concentrating on those within at least a 300-mile driving radius of Washington and urging them to turn out with their families for the Sept. 19 rally.

OTHER PROJECTS include distribution of leaflets in offices and job sites, ads in union publications, bulletin board postings, pledge card drives and phone banks.

The effort to draw union members who can provide their own transportation to Washington has been supplemented by scores of central labor bodies, local unions, labor support groups, and allied organizations that have mounted their own information campaigns. Many organizations have set up car caravan information

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Kirkland Hits CBS Refusal To Air Labor Day Broadcast

By Susan Dunlop

CBS Radio refused to broadcast a Labor Day message taped by AFL-CIO President Lane Kirkland over its national network, breaking a 35-year tradition and drawing a charge of censorship from the federation's president.

The network withdrew its commitment to air the broadcast on Friday before Labor Day, claiming that the text dealt with "controversial issues of a political nature."

SINCE 1946, the nation's major radio networks have carried Labor Day addresses by federation officers. The 1981 messages by AFL-CIO Sec.-Treas. Thomas R. Donahue and Vice President John H. Lyons were aired as scheduled on the NBC and Mutual radio networks.

The Kirkland message was carried in the west on the Intermountain Network and on a number of local radio stations affiliated with CBS which had requested tapes directly from the AFL-CIO.

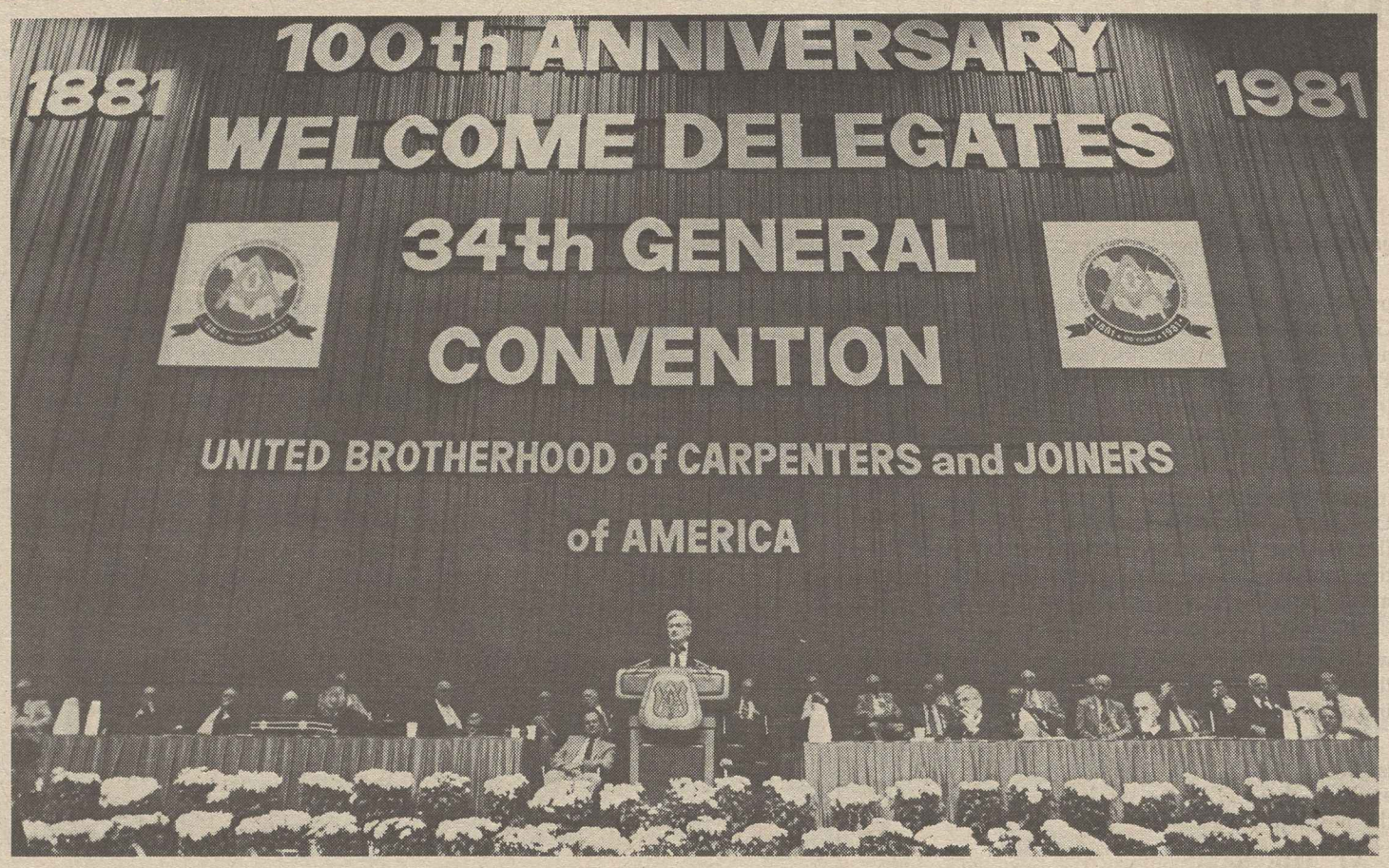
Kirkland observed in a statement that the network's act "does not serve the cause of full and open discussion of public affairs and the free flow of ideas." He compared the incident to the "current dispute in Poland between the Solidarity union and the government-controlled media."

HIS MESSAGE, he asserted, was no more controversial or political "than the statements broadcast daily by Administration and congressional leaders."

In the text of the broadcast, Kirkland said the fundamental issue confronting the

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Carpenters Celebrate First 100 Years



CENTENNIAL CONVENTION of the Carpenters was held in Chicago, and this striking backdrop tells the story. President William Konyha welcomes the delegates to the challenges of the union's second century.

By Rex Hardesty

Chicago—The second century of the Carpenters opens with the union facing the need to expand its organizing in the Sun Belt states while protecting the interests of members in the older areas of the North and Northeast, President William H. Konyha told the union's centennial convention.

That task must be started, Konyha noted, in a repressive political and economic climate that is stifling construction employment while encouraging attacks on Davis-Bacon prevailing wage laws, OSHA protections and social security.

THE CARPENTERS returned to the site of the union's August 1881 founding —the city of Chicago—for the centennial celebration. The 2,434 delegates voted to return the convention to its regular schedule with 1986 the next date. Delegates also re-elected the union's five general officers without opposition: Konyha, Vice Presidents Pat Campbell and Sigurd Lucassen, Sec. John S. Rogers and Treas. Charles E. Nichols. Ten district board members were also unanimously re-elected.

Otherwise, the convention was largely a centennial celebration, which Rogers described as lasting for the coming year and featuring four major parts: a stage show, "Knock on Wood," which was also videotaped at the convention; a popular history, "The Road to Dignity," by labor historian Thomas R. Brooks, distributed at the convention; a scholarly history by Walter Galenson of Cornell; and a series of local events arranged through state humanities councils.

Rogers also described a comprehensive radio and television advertising campaign on the centennial. The ads close with an organizing appeal, "Why don't you join us?" They provide a toll-free 800 number to contact Carpenter offices.

PRESIDENT REAGAN, who had previously agreed to serve as honorary centennial co-chairman, spoke to the convention on its fourth day and made his first public remarks on the striking Air Traffic Controllers after his Aug. 3 directive that they return to work or be fired.

AFL-CIO President Lane Kirkland spoke briefly to the convention banquet the night before Reagan's appearance. Kirkland reminded the banquet that the Carpenters union was "illegal" when it was founded, considered a conspiracy by court interpretations of that era.

Kirkland also pointed out that his predecessor, George Meany, had led a 1935 strike against the federal government in New York in which WPA workers and their instructors, members of building trades unions, struck together to protect prevailing wage laws on the WPA projects. Labor Sec. Raymond Donovan also appeared at the convention banquet.

AFTER REAGAN'S speech the next day, Kirkland issued a point-by-point refutation of the President's "misreading" of history, primarily the contentions that all public employee unions had no-strike clauses in their founding constitutions and that the federations of that era would only charter them if they had such no-strike clauses. Neither contention is true, Kirkland's statement noted.

Reagan has consistently used the no-strike pledge that federal employees are forced to sign to get a job as his excuse for his actions against the Air Traffic Controllers.

THE RESPECT shown Reagan in his office as President did not temper the economic complaints or Solidarity Day support of Konyha, however. He characterized Reagan's newly won tax-cut package as one that "distributes nickels and dimes in the zones where the working folks live while it showers big bucks up there on the hills where the rich people live and admire the scenery."

Konyha drew resounding approval from the convention when he welcomed former members of the Lathers, which merged into the Carpenters in 1978, and when he pledged to continue close surveillance on how and where some $3.5 billion in UBC pension funds are invested.

Konyha said prudence and "correct and stringent standards" on the handling of pension funds are compatible with "saying to Mr. Banker or Mr. Money Manager, 'If you want to manage our members' money, you're going to have to make it serve our members' needs or, mister, we're going to get somebody else to manage it.' "

KONYHA TOLD the convention that Carpenters always have been and always will be "working stiffs—not labor statesmen or phony philosophers." And, Konyha said, "Solidarity Day is the day when the working people together with the senior citizens of this country will be able to have our say, and let's hope the politicians hear our message Sept. 19.

"On issue after issue, since this Administration and this Congress took office, the decisions have in a large degree been tilted toward the corporations, the banks, the rich and the very affluent sectors of our population," Konyha said.

"But on Sept. 19, we feel confident that the Carpenters, along with thousands of trade union men and women, together with our friends from many public organizations, will make their voices heard in a tremendous display of the people's solidarity."

Konyha's report focused heavily on the Carpenter's industrial division, which has been hurt by plant closings and transfers of jobs across either state or national boundaries.

HE REPORTED that the union had initiated almost 250,000 workers since the 1978 convention, yet had recorded a net loss of 19,079 members. There is a 16 percent unemployment rate in construction, Konyha said, but that sector has stayed relatively stable, as has the union's Canadian membership.

"Our losses, over and above the normal turnover caused by death, retirement and leaving the jurisdiction, have been heaviest among our industrial members. Foreign imports of wood products don't get as much publicity as Datsuns and Toyotas, but the result is the same—American unemployment."

Konyha recited the political losses from House seats lost in the Northeast and gained in the South and Southwest, describing plant closings and quick transfer from union to non-union status via opening a new plant in another state.

"AND IF ANY of you think that organizing in Texas or Florida is the same as organizing in some of our older strongholds, think again," Konyha said.

But in tracing the Carpenters' history through the American Plan of 60 years ago to the "right-to-work" movement of today, Konyha pledged the weapons of more flexible work-rules, affirmative action and modern communication methods —such as those displayed in the centennial celebration—will be used in the organizing effort that is essential to the union's future.

Musical Play Dramatizes Union's Story

Chicago—"God made the forests, but Big Bill Hutcheson claims jurisdiction over them."

That description of the United Brotherhood of Carpenters is one of the musical choruses from the play, "Knock on Wood," with which the Carpenters celebrated their centennial at their 34th convention.

THE PLAY, written by Arnold Sungaard and using the "living newspaper," format, ran for a week at Chicago's Aries Crown Theatre, part of the McCormick Place complex where the convention was held.

With the admission held to $3 and a vigorous promotion by the Carpenters and the Chicago Federation of Labor to attract trade unionists, the play had several sellouts in its public showing as well as in the preview showings for the convention delegates.

The cast of eight was headed by E. G. Marshall, a leader in the actors' unions who played both union founder Peter J. McGuire and Hutcheson. The format uses slides and movies on a giant screen between the actors' appearances.

The difficulty of presenting a lively story with song and dance and still telling some of the relatively complicated stories of trade unionism was exemplified in the account of the Carpenters' long fight to stop court injunctions against union members for refusing to install non-union products.

THROUGH THE device of a courtroom witness, a non-union Wisconsin millwright who was making 12 cents an hour for the 12-hour day, the play unfolds the story of a seven-year wait for the 1917 Supreme Court verdict ending the injunctions, which were reinstated by the Taft-Hartley Act 30 years later.

The section on jurisdiction is part of a profile of William H. Hutcheson, president of the Carpenters from 1915 to 1951. The union has had three presidents since: Maurice Hutcheson, William Sidell and William Konyha.

The play describes how John L. Lewis took a swing at Hutcheson at the 1935 AFL convention in the founding days of the CIO, but remained such a fast friend that Lewis later entrusted $1 million in Mine Worker funds to Hutcheson for safekeeping.

THE PLAY ran 72 minutes in all and included a thorough description of the founding days of the union featuring Marshall as McGuire. Young McGuire was with Sam Gompers at the 1881 Pittsburgh convention of the Federation of the Organized Trades & Labor Unions, from which the AFL-CIO stemmed, and is also credited with the idea of Labor Day as a national holiday. McGuire was the union's secretary-general from 1881 to 1901 and was succeeded by Frank Duffy, who served until 1948.

McGuire's attempts to build a permanent Carpenters' union found fruit in St. Louis, where the union's first significant strike won $2.50 a day in wages and led to the bargaining goal of a national fixed rate—enforced by a national union—because of the hopping from city to city by carpenters seeking higher wages. McGuire's quest for the eight-hour day is also featured.

McGuire's nine rules on a strike are dramatically portrayed in a discussion between McGuire and Duffy. The rules range from formation of a seven-member strike committee to greeting potential scabs at the railway depot and assigning pickets at jobsites other than their own.

ONE OF THE most memorable songs in the play recurs throughout, depicting the "golden harvest" from unity and better wages, which will provide "a little slice for each, and a little slice for all, when we all sit down together in the great harvest hall."

History Project Funded For Baltimore Steelworkers

Baltimore—The Baltimore Steelworkers History Project has been awarded a grant by the National Endowment for the Humanities to prepare an exhibition on the history of the union and its role in the growth of the city.

The $200,000 grant will go to Essex Community College which will work with Steelworkers Locals 2609 and 2610 to put together the exhibition of photographs, artifacts, memorabilia and text.

An additional $130,000 will be provided by the college for production and travel. The exhibition will open in Baltimore on Labor Day 1982 and travel for two years to some eight cities in the East and Midwest, including the AFL-CIO's George Meany Center for Labor Studies.

Rallies Focus on Issues

Renewed Spirit Marks Labor Day Observance

(Continued from Page 1)

through collective bargaining, through organization, agitation, education."

Kirkland, Labor Sec. Raymond J. Donovan on ABC's Issues and Answers, and Government Employees President Kenneth T. Blaylock on NBC's Meet the Press were questioned about the Administration's handling of the air traffic controllers' strike.

DONOVAN WAS asked whether it might have been appropriate on Labor Day for the President to offer amnesty to the strikers, "make some gesture so that the skilled employees at this important job might find their way back to the job."

Donovan's reply was that the strikers weren't "fired." By going out on strike they had in effect "quit" because "they broke the law," he contended.

The President's position, Donovan said, is "there will be no amnesty . . . and I applaud the President for having taken the position."

AT THE SAME time, over another network, Blaylock sought to put the strike in a different perspective—as the desperation move by a group of workers whose problems had been ignored by this and previous administrations.

Without better methods of resolving differences, he warned, public sector work stoppages will occur despite punitive laws.

Kirkland said in response to a question that President Reagan has shown that "the federal government in all its might and power, with the assistance of the military and the courts, is capable of crushing a very small union."

REAGAN HAS "established the fact that he is hard-fisted," Kirkland said. "What remains to be established is where's the rest of him? Where's the heart? And where's the understanding of these people's problems that will make it possible to have a decent resolution . . . to serve the public interest best, restore these qualified people to their jobs and get the airlines running normally again."

Kirkland was grand marshal of the New York City Labor Day parade, marching the route with AFL-CIO Sec.-Treas. Thomas R. Donahue, New York City Central Labor Council President Harry Van Arsdale, Jr., and other organizers of the parade.

Then, from the reviewing stand, they greeted the union contingents as they marched amid seas of baloons, banners and flags. Cheers from the tens of thousands who lined the streets signalled the arrival of ranks of air traffic controllers. A continuous ripple of applause greeted the high-stepping Rockettes, union members all.

In the nation's capital, AFL-CIO Organization & Field Services Director Alan Kistler was the speaker at the traditional Labor Day Mass, and Msgr. George G. Higgins received the Greater Washington Central Labor Council's Cardinal Gibbons Award for "dedication to workers' rights."

A WREATH was placed by the statue of James Cardinal Gibbons, as the previous day a wreath had been put by the statue of Samuel Gompers, on a downtown square. All these were traditional.

But Labor Day in the nation's capital also included a march organized by the Central Labor Council in support of PATCO strikers. And with Council President Bob Peterson holding one end of a huge banner and Kistler holding the other end, PATCO strikers and their supporters in the community marched along 16th Street to Meridian Hill Park for a strike support rally.



A TRADITION in Washington is the laying of a wreath during the Labor Day weekend at the statue of Samuel Gompers, the early president of the American Federation of Labor. Greater Washington Central Labor Council President Bob Peterson did the honors this year.

Unions Spur Big Turnout For Solidarity Day Protest

(Continued from Page 1)

centers to bring together drivers, vehicles and passengers.

In Connecticut, as an example, the State, County & Municipal Employees encouraged participation in the protest with the flyers outlining how the Reagan Administration's budget cuts will cause the layoff of thousands of public employees, many in that state. Machinists members throughout the state also received leaflets urging them to join the protest. An International Brotherhood of Electrical Workers local voted to offset part of the travel expenses of every member who participated in the demonstration.

In the federal sector, the Government Employees, with a heavy concentration of members in the Washington-Baltimore metropolitan area plan to contact every metropolitan area, plan to contact every

Members of the Postal Workers have received a letter from the union's president, Moe Biller, praising them for their show of "Postal Solidarity" in the 1981 contract negotiations and urging them to bring the same enthusiasm to the Solidarity Day demonstration.

NATIONAL AND international union efforts include mailings of more than 25,000 information packets by the Steelworkers, over 10,000 by the Service Employees, and 25,000 by the Communications Workers, along with similar promotions by more than 30 unions and many of their locals.

A mailing by the Newspaper Guild to some 3,700 of its members within driving distance of Washington includes an appeal to march from the union's president, Charles A. Perlik, Jr.

Perlik's letter received a personal reply from the wife of a retired janitor who had worked for 17 years for the Baltimore Sun. The letter explained that the retiree would not be able to attend the rally since he was blind, paralyzed and confined to a hospital. But, his wife told Perlik, "if I were younger (I am now 81) and in better health myself, I would come to Washington to march in his place because I know my husband would want with all his heart to be there."

Estimates released by the AFL-CIO Solidarity Day office indicate that participation in the march could hit 100,000.

UNION MEMBERS in the Washington metropolitan area, and along the East Coast and in the Midwest, also were urged to turn out for the Sept. 19 rally by support organizations including the Coalition of Labor Union Women, the A. Philip Randolph Institute. and Frontlash.

The high turnout of union members within driving range of the Capital will bring thousands of cars into Washington, along with caravans of buses. Other demonstrators are planning to arrive by train.

The AFL-CIO Solidarity Day office has information available on special parking areas for both car caravans and buses. Parking is also available at the large satellite lots adjacent to the city's suburban Metrorail subway stops which all individuals are being encouraged to use.

RIDES ON Metrorail will be free from 8 a.m. to midnight on Sept. 19. However, riders on the city bus system will pay the regular 60 cents fare.

Washington AFL-CIO President Robert Petersen announced that the free rail trips will be paid for by the AFL-CIO which will give the Metropolitan Transit Authority $45,000 for the day's service and $20,000 to cover the overload.

The decision to pick up the tab for the subways was made, Petersen said, to make it easier for marchers to get downtown for the rally and to ease the impact of the demonstration on Washington's residents.

Kirkland Hits CBS Refusal To Air Labor Day Broadcast

(Continued from Page 1)

American people is the debate over the purpose of government and its relationship to the people.

"The Administration projects a picture of government as an alien force, sitting on the backs of people, holding them down, repressing their productive energies," Kirkland said.

The labor movement's view, he noted, is of a government "by, for and of the people." In a democracy, he emphasized, "the people have the right to shape their government into an instrument that meets their needs."

THIS IS WHAT the American people have done in the past 50 years when they have used government in "a more active role in promoting the general welfare," Kirkland said.

He charged that the Administration's economic policies are a gamble in which Americans are asked "to risk our jobs, our mortgage, our children's education, our social security and even our national defense."

The labor movement is not prepared to accept such a gamble, Kirkland said, stressing that the Sept. 19 Solidarity Day demonstration will give trade unionists and their allies an opportunity to come to Washington to express "our deep concern over the direction in which the nation is headed."

IN HIS NBC radio broadcast, Donahue traced the history of the trade union movement and the gains it has helped win for all American workers, not only in wages and working conditions, but also in a better standard of living.

The labor movement can take pride in its role in the nation's "progress in the past century toward meeting the economic, and equally important, the spiritual needs of working people," Donahue said.

Throughout its history, he stressed, the labor movement's concerns have gone far beyond the "tangible gains" in the workplace, including wages and conditions, although these remain labor's first job.

"American trade unionists," Donahue said, "have always been deeply concerned with human rights, human dignity and social justice . . . as interested in improving the quality of life as in improving the quality of the workplace."

NOTING THE first anniversary of the founding of the independent Solidarity Union in Poland, Donahue emphasized that the trade union movement has "been a vehicle for the expression, in the United States and around the world, of the basic human need for solidarity."

The union in Poland, he pointed out, "has become the instrument for the Polish people's struggle for freedom and democratic rights."

Lyons, who is president of the Iron Workers, in his broadcast over the Mutual network, rapped the Administration's "supply-side economics" as simply a new name for an old idea, the "redistribution of the nation's wealth" in favor of those already well-off.

These economic programs are likely to worsen rather than help the problems of inflation, unemployment, social instability and high interest rates, Lyons warned.

THE ISSUE of high interest rates is one clear example of the gravity of the economic problems, Lyons said, using the housing industry as an example. With home prices and interest rates "prohibitive, contractors have been driven out of business and the craftsmen who worked for them "have been driven to the unemployment line."

Under the Reagan Administration's program, these conditions are likely to grow worse, Lyons charged. He emphasized that elsewhere in construction, "the bridges that were built by members of our union, the great federal highways and public facilities of all kinds are deteriorating faster than they are being repaired. The public investment that is needed simply to keep America from falling apart has been chopped mercilessly from the budget."

Industrial Unions Hit Hardest by Membership Drop

Union membership in the United States slipped by 385,000 in the recession-hit 1978-80 period, to 22,353,000, according to preliminary estimates by the Bureau of Labor Statistics. But the total was up more than a million over the 1970-80 decade.

The two-year loss was largely in basic industries, many of which were battered by increased imports as well as recession cutbacks.

OVER THE SAME period, union membership continued to grow in the trade, communications, construction and service industries, and in the public sector. But the net membership loss also brought the percentage of non-farm workers carrying a union card from 25 percent in 1978 to 24.7 percent in 1980.

The BLS report showed the largest two-year membership losses reported by the Auto Workers, followed by the Paperworkers, Rubber Workers, Steelworkers and Clothing & Textile Workers.

Gains of over 25,000 members during the same period were listed for the Food & Commercial Workers, Carpenters, Communications Workers, International Brotherhood of Electrical Workers, Machinists and Service Employees.

Year-to-year union membership tallies have fluctuated over the decade, responding to economic cycles as well as to more lasting changes in the nature of the workforce.

For All Americans

ALL AMERICANS have benefitted from organized labor's uphill struggle to improve the standard of living for all workers.

It was the unswerving efforts of trade unions that won the basic eight-hour day most Americans now enjoy.

Unions fought for and won a decent minimum wage, and that is something we still defend in spite of the fact that virtually no union member earns so little.

UNIONS BROUGHT an end to child labor and they fought and they continue to fight, indeed, the sweatshops that exploit the desperately poor.

America's trade unions led the fight to establish both the private pension system and social security to insure working people a decent and a dignified old age.

We fought tirelessly—against very stiff opposition—for protections such as unemployment insurance and workers' compensation.

Because of the perseverance of unions, all American workers today enjoy greater safety and freedom from health hazards on the job.

The labor movement's concerns go far beyond the workplace and the size of the pay envelope.

AMERICAN TRADE unionists have always been deeply concerned with human rights, human dignity and social justice.

We will continue to defend the rights of all Americans to vote, to have the job of their choice, to live in the neighborhoods they choose, to educate their children to the best of their ability.

Our fight against tyranny in the workplace and in the domestic affairs of our nation translates easily into opposition to tyranny anywhere in the world.

The trade union movement has been a vehicle for the expression—in the United States and around the world—of the basic human need for solidarity. People who share common goals, have a natural interest in banding together to achieve them.

WE IN THE labor movement plan to write another chapter in the history of that labor movement on Sept. 19 in Washington, D.C.

We are calling it Solidarity Day, and on that day, the labor movement will be joined by our allies in the civil rights movement, the women's movement, by environmentalists and consumers, by senior citizens, the religious community and many more people all united by the common bond of a dedication to human rights.

We are going to march together, to reaffirm our belief in the future of America and the promise of life, liberty and the pursuit of happiness it holds out to all. We are going to march to reaffirm, in our centennial year, the labor movement's historic commitment to social and economic justice for everyone in America.

—From Labor Day broadcast by AFL-CIO Sec.-Treas. Thomas R. Donahue.

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THOMAS R. DONAHUE, *Secretary-Treasurer*

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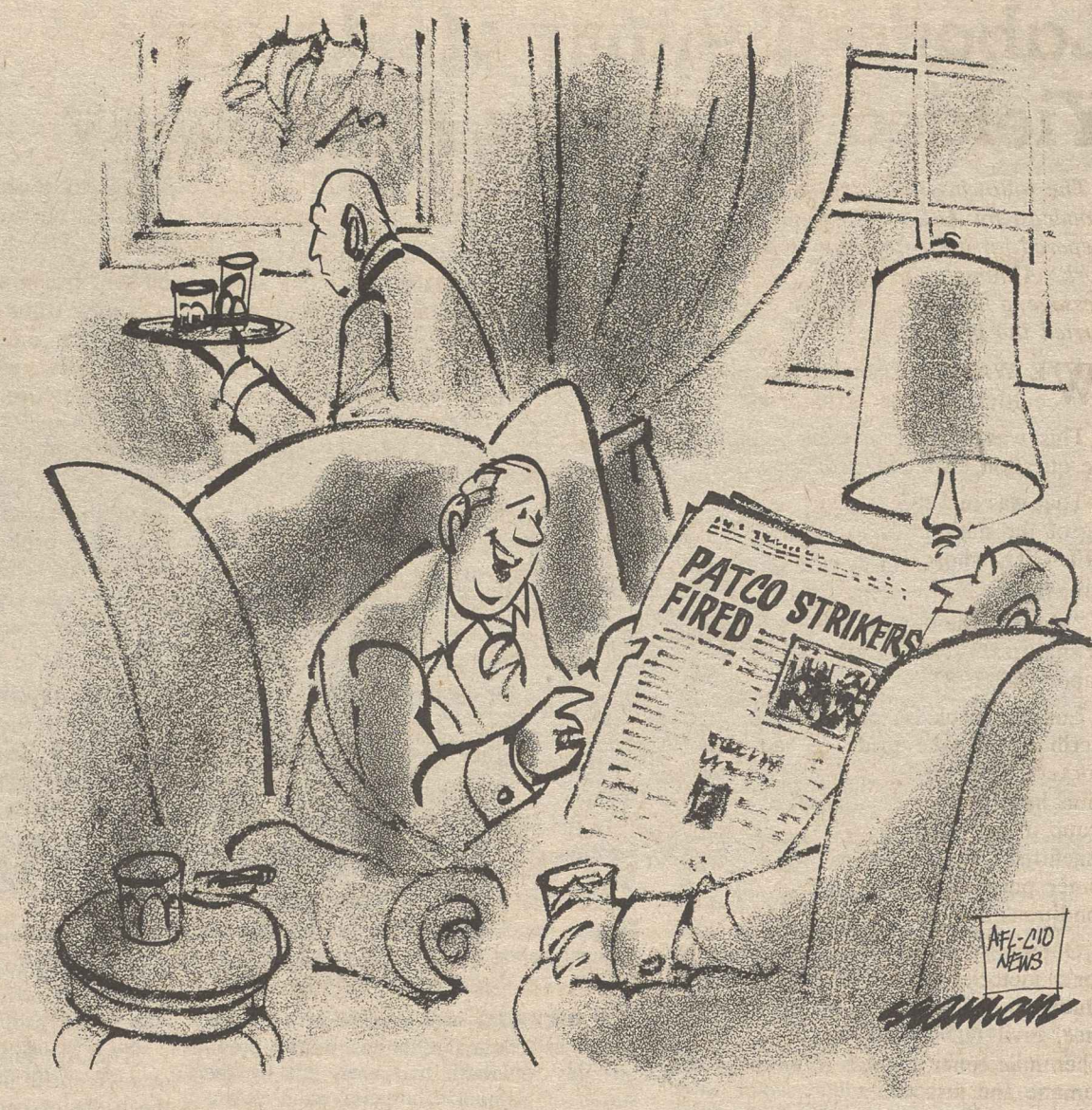
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'Here's One for the Gipper!'



Fed Policy Backfiring

'Cure' of High Interest Rates Sends Inflation Fever Soaring

By Gus Tyler

IN PURSUIT OF his policy of high and ever higher interest rates, Paul Volcker, chairman of the Federal Reserve Board, has shown remarkable consistency. Replying to his critics on ABC's "Issues and Answers," Volcker said: "No question. Yes, we intend to stick with it." He was talking about high interest rates as a way to check inflation.

If nothing else, Volcker has proven that he is not the kind of man who retreats under fire. Attacks have come from many sides. Small businessmen groan as high interest rates force them into bankruptcy. Wall Street grumbles as stocks decline. Treasury Sec. Donald T. Regan states publicly that the Fed policy is making economic recovery impossible and is adding to the government's debt. Economists point out that high interest rates have, in fact, not deterred inflation at all.

SOME EVEN ARGUE that the high interest rates are indeed inflationary, not deflationary. They list eight reasons:

First, high interest rates raise the price of money, thereby lifting the cost of everything in the economy involving money. Second, the higher rates bankrupt small business and hasten monopoly pricing. Third, high interest rates slow down production and reduce supply, thereby forcing up prices. Fourth, less capital is available to small and medium business for research and development, thereby retarding increases in productivity that could help hold down prices.

Fifth, higher interest rates idle factories, thereby increasing overhead costs and forcing up prices once again. Sixth, higher interest rates increase the borrowing costs of Uncle Sam (also, states, counties and municipalities) to inflate both the taxes and deficits. Seventh, higher interest rates that are intended to curb the money supply do just the opposite, because our higher interest rates attract money from other countries to swell our money supply.

PETER CANELO, an investment analyst for Merrill, Lynch, says that the Feds have lost all credibility, especially in view of the fact that the key indicator—the money supply—has grown by 16 percent in the last six months.

But none of these arguments is changing Volcker's course. He remains consistent.

Which fact has given rise to an eighth reason why the Fed policy is inflationary. Its very consistency adds to inflation.

It is now predictable that if prices rise, interest rates will rise. In these times of inflationary expectations, it is reasonable for any would-be borrower of funds to conclude that interest rates will go up—as they have consistently been doing.

IF THAT is the case, it is prudent to borrow now even if the rate is—let's say—20 percent. Why not? If you delay, the rate will soon be 22 percent. Indeed, it pays to borrow now and to lend out the money later.

Hence, the consistent way in which the Feds apply their policy becomes, in itself, an inflationary factor—expanding the money supply.

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A Troubling Course For National Policy

We are deeply troubled by the direction in which our country appears to be heading.

The Reagan program . . . will worsen inflation, unemployment and social instability.

America is building no more than one-third of the housing that is absolutely necessary to meet the needs of the American people. Matters are no better in other parts of the construction field.

The bridges that were built by members of our union, the great federal highways and public facilities of all kinds are deteriorating faster than they are being repaired.

The public investment that is needed simply to keep America from falling apart has been chopped mercilessly from the budget.

And so have investments in public education, public health, public transit and other programs that millions of people depend on.

On Solidarity Day, we intend to demonstrate our concern.

AFL-CIO Vice President John H. Lyons, president of the Iron Workers, in a Labor Day broadcast.

Preservation of Progress at Stake

Labor's 'Century of Struggle' Yielded Gains for All Society

The following is excerpted from a Labor Day broadcast by AFL-CIO President Lane Kirkland prepared for presentation over the CBS radio network. Although the network refused to air the message, a number of stations affiliated with CBS carried the broadcast.

"WE WANT MORE of the opportunities to cultivate our better natures."

This was part of Samuel Gompers answer to the question, "what does labor want?"

That was in 1893, twelve years after the founding of the national labor center that became the AFL-CIO, whose 100th anniversary we celebrate this year.

"More of the opportunities to cultivate our better natures." This is still what labor wants on Labor Day 1981.

Looking back on our century of struggle and sacrifice, we take pride in the gains American workers have made through their unions. Those gains have not been restricted to a narrow interest group in our society. In fact, all Americans have benefitted from the higher wages, expanded consumer purchasing power, and improved working conditions that unions have fought for.

Our entire society is better off because of labor's victories in the struggle for free public education, social security, unemployment insurance, civil rights laws, voting rights, and many other milestones in our progress toward a more humane and just society.

SOME PEOPLE don't agree and never have. They think our better natures are best cultivated in the economic jungle. They believe in the survival of the fittest. Unfortunately, people who share that view have captured the White House and have cowed a compliant Congress.

They are suspicious of government programs to feed the hungry, educate the young, secure dignity for the elderly, care for the sick, safeguard the rights of minorities, protect consumers, and defend the environment from plunder.

Their philosophy has been summed up by their budget director, David Stockman: "No one is entitled to anything from the government."

This breathtaking statement is remarkable for its candor. It joins the issue—the fundamental issue confronting the American people. What is the purpose of government? What is the relationship between the government and the people?

The Administration projects a picture of government as an alien force sitting on the backs of the people, holding them down, repressing their productive energies.

At the AFL-CIO, we believe government is, in Abe Lincoln's words, "by, for, and of the people." In a democracy the people have the right to shape their government into an instrument that meets their needs.

Now we are told by the Administration that the people's government is the people's enemy.

We are also told that the way to get the government off the backs of the people is to slash the people's programs and give a high tax cut to big corporations and wealthy individuals.

We are told that our government will become more responsive to the people's needs by transferring the people's resources to the rich and powerful. They, in turn, will invest these resources wisely, without government interference, and thereby create new jobs, improve productivity, and ultimately return more tax dollars to the federal treasury.

Presumably, these wealthy and wise men bear no responsibility for our nation's economic problems, and therefore can be trusted to make the right economic decisions for the rest of us—if only we leave them alone and allow the free market to work its magic.

THIS DOCTRINE has a new name—"supply-side economics." We have always known it by another name—the "trickle-down theory." But while the theory is not really new, this is the first time we have been asked to gamble so much on it. We are asked to risk our jobs, our mortgages, our children's education, our social security, and even our national defense.

This is not a gamble the AFL-CIO is prepared to take. We have too great a stake in the American way of life—which we have helped to build—to put it in jeopardy.

We intend to make ourselves heard. On Sept. 19—which we call Solidarity Day—tens of thousands of trade unionists and our allies will go to Washington to express our deep concern over the direction in which our nation is headed.

We will protest the Administration's efforts to dismantle the social programs that reflect humane and compassionate government. We will exercise our constitutional right of petition to assert our demands for jobs and justice. We will march in the spirit of the great abolitionist Frederick Douglass, who said:

"If there is no struggle, there is no progress. Those who profess to favor freedom, and yet deprecate agitation, are men who want crops without plowing up the ground. They want the ocean without the awful roar of its many waves."

THIS LABOR DAY 1981 is a time for all Americans to reflect on the contributions of working people to the nation's progress. It is also a time to reflect on the stake all of us have in preserving that progress.

Despite the grave challenges we face, we are not discouraged. Looking back on our first one hundred years of achievement, we realize that we have faced harder problems than we face today. We have faced worse odds. But we have survived, and we have overcome.

Today, we have a challenge not only to the nation's achievement since the New Deal, but to the trade union movement itself. We intend to meet that challenge, confident that, in their fundamental decency, the American people will not consent to the destruction of one of their fundamental institutions.

Washington Window

By Press Associates, Inc.

NOW THAT A compliant Congress, moving with unaccustomed speed, has enacted President Reagan's tax and budget "program for economic recovery," what can Americans expect in coming years?

Leaving aside the equity of the tax cuts and the adverse effects of the budget cutbacks on the lives of working and low-income people, is it reasonable to believe that the Reagan program will fulfill its promise of restoring health to the economy?

The President's tax cuts, an unprecedented bonanza for business and upper-income individuals, was sold as a program to unleash a wave of business investment and economic growth.

This growth, as the scenario goes, will create jobs, swell Treasury revenues and, combined with drastic cuts in social spending, lead to a balanced budget by 1984.

Fiscal restraint, along with a tight money policy by the Federal Reserve Board, is supposed to dampen "inflationary expectations" of investors as well as cause workers to expect lower wage increases.

WHILE IT IS too early to pass judgment on "Reaganomics," early warnings point to a grim prognosis.

The ink had scarcely dried on the President's signature on his tax and budget legislation when Wall Street—which had waxed euphoric over Reagan's election—reacted with dismay and confusion.

While a White House spokesman dismissed the financial community's jitters as "a temporary state of mind," investors had sound reasons for their pessimism.

In contrast to the Administration's rosy predictions about a balanced budget, private analysts, including a senior economist at the conservative American Enterprise Institute, predicted that the federal deficit by 1984 could reach $100 billion.

With the exception of the doctrinaire "monetarists" running the Reagan Treasury Dept., economists see obvious contradictions in trying to slow down the economy by restricting the supply of money and credit and spur economic expansion through enormous tax cuts for business.

THIS COMBINATION, in the words of House Budget Committee Chairman James R. Jones (D-Okla.), "is the equivalent of stepping hard on the gas at the same time you slam on the brakes." It portends continuing high interest rates, further showing of the economy and perhaps another recession. The already depressed housing and auto industries will be hardest hit.

Further, corporation executives interviewed recently by the Wall Street Journal didn't show the kind of enthusiasm in their investment plans for the coming year that the Administration's highly touted "supply-side" tax breaks were supposed to arouse.

One reason for the corporations' low-expectation investment plans rests in a major flaw in supply-side economic theory—it doesn't account for the "demand side" of the equation. Whatever the tax incentive, businesses aren't going to invest to produce items people can't afford to buy. The new tax bill does little for the buying power of the average consumer.

ALREADY THE Administration is being forced back to the drawing board by the failure of events to follow its game plan. The non-partisan Congressional Budget Office and private economists predict that the deficit for the fiscal year starting Oct. 1 is likely to more than double the Administration forecast.

From all appearances, about all that Americans can expect from Reaganomics is open-ended budget cuts in vital social programs and an open-ended raid on the U.S. Treasury by corporations and the rich.

PATCO Reprisals, 4.8% Pay Cap

Reagan Labor Relations Policy Ruffles Government Workers

PUBLIC SECTOR workers view with growing apprehension the labor relations policies and actions of the Reagan Administration, Executive Director John Leyden of the AFL-CIO Public Employee Dept. said on Labor News Conference.

But public employees are not intimidated by the Administration's positions, Leyden asserted, and may in fact turn in greater numbers to the "solid, cohesive voice" of unions. He said that the President's hard-line handling of the PATCO dispute and his 4.8 percent cap on the pay increase due federal employees—despite the recommendation of his own pay agent for a 15.1 percent increase—have produced a strong resolve that will be made clear in the Sept. 19 Solidarity Day demonstration in Washington.

Leyden, a former air traffic controller, said that "contrary to the announced end of the strike by Transportation Sec. Drew Lewis and by various Administration officials, the PATCO strike is not over." He said that "there is no way that the system can function normally, as it did prior to the strike" without the 12,000 trained and experienced professional controllers the President fired.

ALTHOUGH ABOUT 75 percent of commercial flights are operating, Leyden pointed out that "general aviation, which carries more passengers than commercial aviation, has been removed from the system."

Leyden said that he is hopeful that the Administration will "come to its senses, sit down at the bargaining table with those workers, and let the system run as it should."



GROWING APPREHENSION over the policies and actions of the Reagan Administration and their implications for labor-management relations in the public sector will be clear in the Sept. 19 Solidarity Day demonstration in Washington, Executive Director John Leyden, center, of the AFL-CIO Public Employee Dept. said on Labor News Conference. Leyden was questioned by Michael Arian, left, of Government Employee Relations Report and Lance Gay of the Scripps-Howard Newspapers. The AFL-CIO produced public affairs program is aired weekly on Mutual radio.

Blacks Suffer New Surge in Jobless Rate

(Continued from Page 1)

7.7 million workers who were unemployed in August. The jobless rate for black teenagers was about three times the rate for white teenagers, 15.6 percent. The unemployment rate for whites of all ages was 6.1 percent, little changed from the July level.

Norwood cautioned that the labor market experience of the category group is "especially difficult to measure with precision." But she said "the data do confirm that unemployment for black teenagers is a continuing problem." The jobless rate for black teenagers has been between 30 and 40 percent for some time.

Overall joblessness has remained in the 7 to 7.3 percent range since June, after being at about the 7.3 percent level since the beginning of the year.

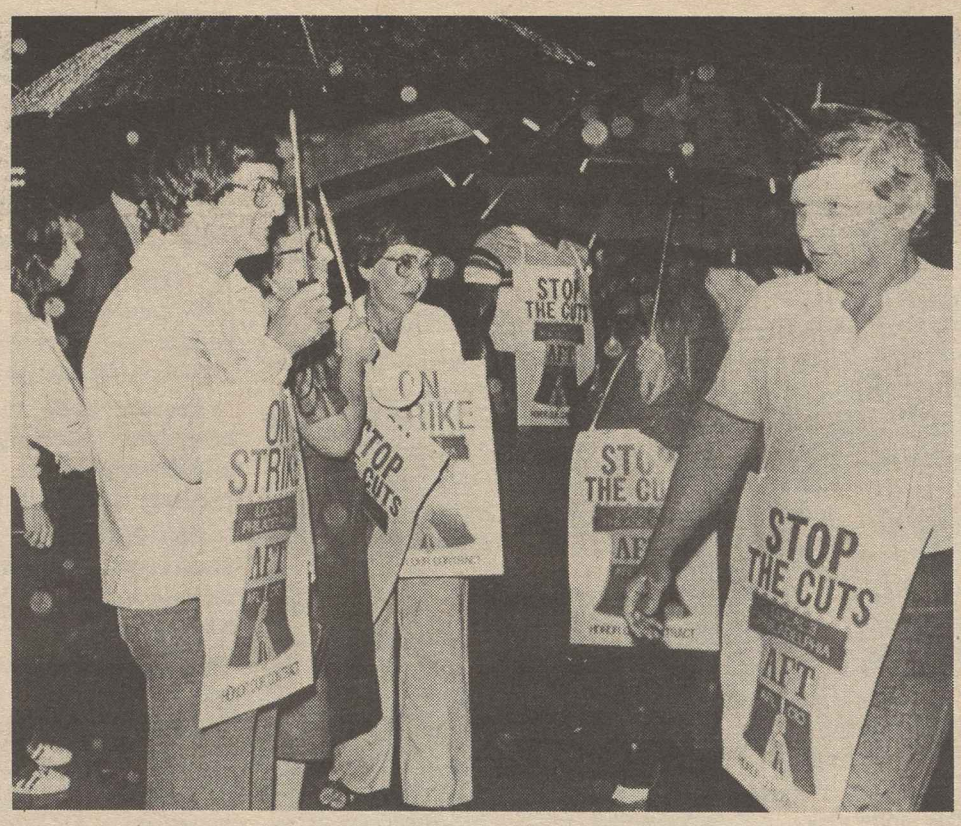
Total employment in August held fairly steady at 98.9 million, down only slightly from July. Meanwhile, the labor force grew by 138,000 to 106.6 million.

Norwood said the labor market picture last month was "substantially improved" over July a year ago, when the 1980 recession ended. The jobless rate then was 7.8 percent.

"BUT, EXCEPT for the over-the-month improvement we reported last month, the labor market has been somewhat sluggish in recent months," she added.

The BLS report indicated that employment in manufacturing industries, which had been at depressed levels earlier this year, leveled off last month after the July improvement. The only noteworthy over-the-month movements in manufacturing were declines in lumber products and food processing and an increase in the number of machinery jobs.

Employment in mining continued to show strength in August, especially in oil, gas and coal extraction. There was also a job gain in retail trade.



RAIN DIDN'T DAMPEN the determination of these Philadelphia teachers striking to protest the School Board's breach of a no-layoff clause and its unilateral cancellation of a scheduled pay raise. More than 200 AFT members were arrested on the picket line.

Teachers' Strike Protests Layoffs in Philadelphia

Philadelphia—Police here arrested more than 200 striking school teachers protesting widespread layoffs and cancellation of a scheduled pay increase as Mayor William Green called an emergency City Council meeting to deal with the crisis.

The city's 21,000 teachers represented by the Philadelphia Federation of Teachers went on strike Sept. 8. The walkout was prompted by a school board decision to fire 3,700 school employees to meet a $223-million deficit and to balance the city's budget for the 1981-82 academic year.

The school board, which took the action despite a no-layoff clause in a contract reached with the Teachers after a long strike last year, also said it would be unable to pay a 10-percent salary increase provided for this year in the 1980 agreement. The PFT is an affiliate of the American Federation of Teachers.

Elsewhere in Pennsylvania and in five other states, thousands of other teachers were on strike. In the latest walkout, 240 teachers in North Providence, R.I., stayed away from their classrooms. The major issues in the walkouts and contract disputes are pay and hours, with most of the problems stemming from an upsurge in fiscal cuts leading to layoffs.

A random survey by AFT showed that school systems in Massachusetts are the hardest hit with an estimated 7,500 teachers being laid off this fall. The Boston school system alone plans to lay off 1,000 teachers. The 5,000-member Boston Teachers Union voted this week to authorize a strike Sept. 21 if no agreement over the layoffs is reached.

OTHER STATES reporting major teaching layoffs include Illinois, 2,700; Indiana, 1,000; Louisiana, 2,500; Michigan, 2,000; Pennsylvania, 4,000; Wisconsin, 2,500; New York, 1,100, and Ohio, 300.

The Philadelphia arrests were for alleged violation of a court order issued Sept. 8 limiting the striking teachers to four pickets at an entrance to the Philadelphia School District's administration building.

PFT President John Murray predicted that the strike would be "a long one, very bitter," that likely would not be settled until the city came up with more funds.

Labor Mourns Roy Wilkins, Ally in Struggle for Justice

The labor movement joined in mourning the death of Roy Wilkins, a strong ally in the ongoing struggle for racial and economic justice.

Wilkins, who had served as executive director of the NAACP and chairman of the Leadership Conference on Civil Rights, died Sept. 8 of kidney failure at the age of 80.

"FEW MEN have touched so many lives or opened so many channels of human understanding and cooperation," AFL-CIO President Lane Kirkland and Sec.-Treas. Thomas R. Donahue said in a message to Wilkins's widow, Aminda.

Kirkland and Donahue credited Wilkins as the chief architect and leading strategist of the Leadership Conference, which, they said, "welded together the labor movement and the civil rights movement into the most successful legislative coalition of all time."

They said Wilkins has earned an honored place in history books: "The Civil Rights Act, the Voting Rights Act and the other legislative achievements that have forever changed the conditions of life in America are his legacy as much as any man's, just as the LCCR is his monument.

"Roy was much more than a strategist," Kirkland and Donahue said. "He was a man of limitless faith and courage, a leader who inspired others by his example even more than by his eloquence.

"Those of us who had the good fortune to work closely with Roy and count ourselves among his friends will always cherish the memory of his kind and hopeful spirit."

Thousands of trade unionists are better men and women for having known Wilkins and millions of others are better off because of his life and work, Kirkland and Donahue stressed.

WILKINS, WHO was born in St. Louis in 1901, worked as a redcap, as a Pullman-car waiter and in a slaughterhouse while going through the University of Minnesota. He later was a reporter and editor before joining the NAACP staff in 1931. He went on to become executive director of the organization in 1965 and retired in 1977.

The Leadership Conference was founded in 1950 by Wilkins, President A. Philip Randolph of the Sleeping Car Porters, and Arnold Aronson of the National Jewish Relations Advisory Committee. It began as a coalition of some 50 civil rights, labor, religious and civic organizations, and grew over the years to embrace 150 affiliates. Wilkins served as chairman from 1950 until his retirement in 1977. The AFL-CIO and many of its affiliates are part of the conference.

Donahue headed the AFL-CIO delegation attending funeral services at the Community Church in New York. The delegation included Federation Vice Presidents Frederick O'Neal, Albert Shanker, Alvin E. Heaps, and John J. Sweeney, Sec.-Treas. Jacob Sheinkman of the Clothing & Textile Workers; Kenneth Young, executive assistant to Kirkland, and AFL-CIO Civil Rights Director William E. Pollard.

Mark Cowan Named To No. 2 Post at OSHA

Mark D. Cowan has been appointed deputy assistant secretary of labor for occupational safety and health, the second-ranking position at the Occupational Safety & Health Administration. Cowan, 31, joined OSHA earlier this year, serving as the agency's special assistant for regulatory affairs as well as director for policy, regulatory analysis, legislation and interagency programs.

Dystrophy Group Elects Unionists to Key Posts

Scottsdale, Ariz.—AFL-CIO President Lane Kirkland and Sec.-Treas. Thomas R. Donahue were re-elected as corporate members of the Muscular Dystrophy Association at the organization's annual meeting here.

Donahue and Actors & Artistes President Frederick O'Neal were re-elected to MDA's board of directors. Fire Fighters President John A. Gannon was named to his first term on the board and as a corporate member.

Also re-elected to the health research association's corporate membership were Letter Carriers President Vincent R. Sombrotto and William H. McClennan, president emeritus of the Fire Fighters. Food & Commercial Workers President William H. Wynn was named a national vice president.

McBride Asks Reactivation Of Steel Panel

Dawson, Pa. — Steelworkers President Lloyd McBride urged the Reagan Administration to reactivate a high-level committee of labor, industry and government representatives to shape a national steel policy keyed to orderly markets and steady jobs.

Such a committee was launched in the Carter Administration, and McBride said a tripartite approach is essential "if we are to restore the steel industry to its once strong, competitive position in domestic and foreign markets."

McBRIDE AND AFL-CIO President Lane Kirkland spoke at installation ceremonies for the union's officers and district directors, held at the USWA educational center here. McBride and the four other national officers were elected without opposition to new four-year terms.

Kirkland and McBride scored the Reagan Administration's overall direction. The President's declared intent to "get the government off our backs," Kirkland said, requires wiping out "40 years of economic and social justice."

He called on the President to lift the "full vindictive weight of the government" from the nation's air traffic controllers and let the dispute be settled at the bargaining table. He told the union gathering that labor's Solidarity Day demonstration will be a "lesson in freedom" to the Administration and Congress.

McBRIDE NOTED that the USWA and the steel employers will begin talks in October on whether to renew the no-strike, binding-arbitration agreement for the 1983 negotiations. McBride said the experiment "served both sides well" in the 1974, 1977 and 1980 negotiations, but any decision on its future "has to pass the approval of our union's membership."

He said the union will continue to press for a shorter workweek, "especially in the face of increased use of robots and other automated technologies."

Montana Labor Elects Driscoll New President

Billings, Mont.—Delegates to the 25th annual Montana AFL-CIO convention elected Jerry Driscoll of the Laborers to a two-year term as president. Driscoll, assistant business agent of LIU Local 98 in Billings, succeeds Robert Kokoruda who did not seek re-election to a third term.

The 122 delegates also voted unanimously for a three-step increase in per capita payments, which will rise 4 cents next Jan. 1 to 60 cents a month, followed by 2-cent increments in 1983 and 1984.

DRISCOLL WAS elected by acclamation after Maurice Mulcahy of State, County & Municipal Employees Local 2033 in Butte pulled out of the contest shortly before the rollcall vote.

In another contest, R. Nadiean Jensen, executive director of AFSCME Council 9 in Helena, was elected vice president over Marilyn Kuder of the Hotel Employees & Restaurant Employees.

James W. Murry was re-elected without opposition to his seventh term as executive secretary-treasurer of the state labor federation. The convention also elected Ted Tracy of Machinists Local 88 to the executive board and re-elected five incumbent board members.

IN KEY resolutions adopted at the three-day convention, delegates reiterated their opposition to a state sales tax proposal and attempts to repeal state and federal prevailing wage laws, and renewed support for ratification of the Equal Rights Amendment.

Convention speakers included Gov. Ted Schwinden, Senators John Melcher and Max Baucus and Rep. Pat Williams, all Democrats.

Back from Recess

Congress Faces Votes On Davis-Bacon, Budget

Congress returned from a month-long vacation to face a bruising new budget battle, key decisions on the future of social security and the first skirmishes over the Davis-Bacon Act.

The Davis-Bacon issue will come to a head this month when the Senate takes up the military construction authorization bill. The heavily conservative Senate Armed Forces Committee amended a House-passed bill by adding a section excluding all military construction from the prevailing wage requirements of the Davis-Bacon Act. Sen. Strom Thurmond (R-S.C.) was the author of the exemption.

ITS ENACTMENT would touch off a renewed attempt to repeal all prevailing wage laws, as the U.S. Chamber of Commerce has urged. The AFL-CIO and the Building & Construction Trades Dept. are calling on senators to support an amendment by Sen. Henry M. Jackson (D-Wash.) to eliminate the Thurmond rider and restore Davis-Bacon protection.

The Senate also faces a decision on a bill passed by the House shortly before the August recess to restore the $122 minimum social security benefit for the 3 million persons now receiving it. The Administration first insisted on eliminating the minimum benefit entirely and now wants it maintained only for the most "truly needy" of recipients.

Meanwhile, the Administration is prodding Congress to make permanent reductions in social security entitlements in order to keep revenues above outlays.

Both the House and Senate face key votes on whether to disapprove President Reagan's proposed sale of a highly sophisticated airborne radar system (AWACS) to Saudi Arabia. The AFL-CIO Executive Council said sale of the AWACS aircraft, which can be used as a battle control station, "would be an act of irresponsibility and high potential risk to peace."

CONGRESS GAVE President Reagan virtually everything he asked for in the way of spending cuts, budget ceilings and tax reductions during his first six months in office.

But it came back to find the White House preparing a new list of heavy spending and program cuts, which it insists are necessary to avoid budget deficits many billions of dollars more than the Administration's earlier estimates.

The tight-money policy which the Administration has relied on as an anti-inflation weapon has sent interest rates sky high. Housing starts have dwindled to a trickle, businesses have been squeezed and the "savings" the government was to achieve through spending cuts are being cancelled out by additional billions of dollars in interest payments on the national debt.

The Congressional Budget Office has projected an $80 billion federal deficit in the next fiscal year, nearly twice the amount the Reagan Administration had originally estimated.

THE ADMINISTRATION is studying proposals to ask Congress to cut back the increase in defense spending originally budgeted and to make additional cuts in already decimated social programs.

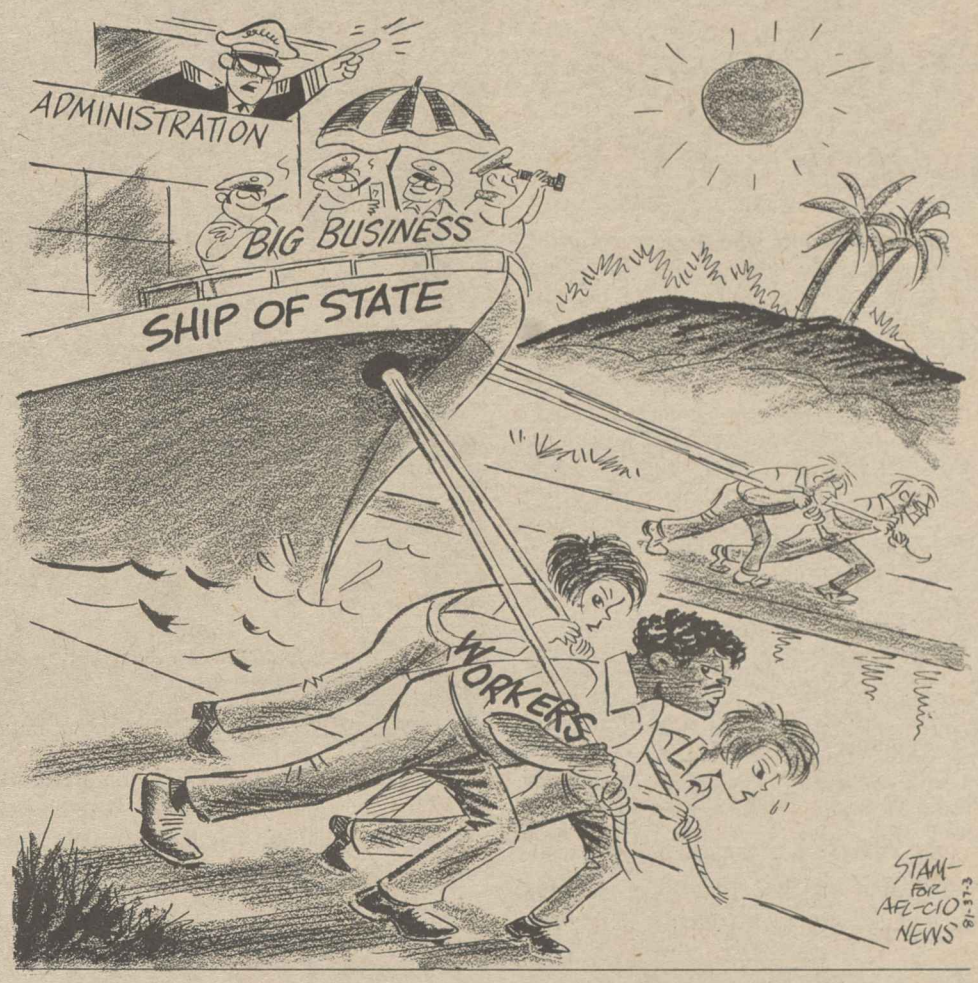
Republican leaders have told reporters that the Administration may ask Congress to partially restore the President's right to impound—or not spend—funds voted by Congress.

Congress enacted the anti-impoundment law after President Nixon had repeatedly thwarted congressional intent by refusing to allocate funds voted for specific programs. Its repeal would be seen as a further surrender of legislative powers to the White House.

Also on the congressional agenda are:

- A Senate showdown on stringent anti-busing amendments, including one that would curtail the authority of federal courts to order remedies for school segregation.
- Action on a military pay raise expected to average 14.3 percent.
- Senate action on the nomination of Judge Sandra Day O'Connor to the Supreme Court. Her confirmation is anticipated despite a campaign against her by some anti-abortion groups.

'Tote That Barge!'



Kirkland Assails Soviet Sentence For Morchenk

The AFL-CIO is "outraged" but not surprised by the stiff sentence given Soviet dissident Anatoli Marchenko as punishment for his trade union and human rights activities, AFL-CIO President Lane Kirkland said in a statement following Marchenko's trial.

Marchenko, who was tried Sept. 2-3 in the Soviet city of Vladimir, had been charged with "anti-Soviet" activities including his support for the Polish trade union, Solidarity, and his correspondence with former AFL-CIO President George Meany. He was sentenced Sept. 4 to ten years in a "strict regime" labor camp to be followed by five years of internal exile. The 43-year-old activist has already served some 15 years in Soviet prisons, labor camps and exile.

"THIS SENTENCE is harsh," Kirkland said, "but it comes as no surprise considering the brutal treatment already accorded to Marchenko by his jailers and by Soviet authorities."

That treatment "during his latest imprisonment includes refusal to let him accept parcels of clothing and hygienic items and the withholding of proper medical and sanitary care," Kirkland noted.

In a statement before the trial, Kirkland said that a package of clothing, soap and toothbrush he had personally sent to Marchenko in Vladimir prison in May had been returned by Soviet authorities.

MARCHENKO and five other Soviet dissidents had been invited to attend the 1977 AFL-CIO convention. In a letter to Meany, Marchenko said he had heard of the invitation on foreign radio stations but had not received the letter. Soviet postal authorities had returned a signed receipt indicating that the letter was delivered.

In the message to Meany and the AFL-CIO convention, Marchenko described harsh working conditions for the average Soviet worker.

Kirkland urged the U.S. government, "the free trade union community and all those who believe in the struggle for human rights to intercede with the Soviet government on Mr. Marchenko's behalf."

Glass Union Delegates Hit Retreat on Job Safety Rules

Bal Harbour, Fla.—Delegates to the Glass Bottle Blowers 67th convention challenged the Administration's weakening of occupational safety and health regulations, voiced concern over new attacks on labor and approved a per capita increase intended to strengthen their union during the decade of the Eighties.

The 866 delegates, representing 70,000 members, voted active support for the AFL-CIO's Solidarity Day march on Sept. 19 and hailed the Polish free trade union federation, Solidarnosc, on its first anniversary. Delegates reinforced adoption of the resolutions with a rousing chorus of Solidarity Forever, led by GBBA President James E. Hatfield.

HATFIELD WAS re-elected to a four-year term by acclamation, as were Sec.-Treas. Frank W. Carter and all other officers and board members. Hatfield has headed the union since 1977 after having previously served as secretary-treasurer.

The convention approved a four-step rise in per capita payments to $11 a month on Oct. 1, with annual 50-cent increases to bring the rate to $12.50 by Oct. 1, 1984. Previous differences in dues categories were eliminated so that the new per capita rate will be the same for all GBBA members. The convention also authorized, but did not require, a $2 increase in local dues.

In terms of the union's special concerns, Hatfield said it succeeded in negotiating "outstanding contracts" over the past four years and he saw a healthy future for employment in glass, plastics and fiberglass industries.

HE REITERATED the GBBA's determination to resist job-destroying anti-bottle legislation at the local, state and national levels.

Hatfield and other convention speakers were sharply critical of Reagan Administration policies and the President's retaliation against striking air traffic controllers. A convention resolution urged that the dispute be resolved through negotiations.

In his keynote address, Hatfield said the Reagan Administration's "trickle-down" economic policy has been used before.

"It brought on the Depression," he told the delegates. "We must convince the Administration that the policies of Calvin Coolidge and Herbert Hoover are no more workable today than they were over 50 years ago."

THE CONVENTION raised $11,000 for the GBBA Political Education League, and it contributed close to $4,000 to the Olympics for Retarded Children—with the international union matching proceeds of a collection from delegates.

In a message to the convention, AFL-CIO Sec.-Treas. Thomas R. Donahue said Solidarity Day will demonstrate to the Administration, Congress and the nation labor's commitment to social and economic justice.

There are those, "enjoying a moment of power, who would like to turn the clock back," Donahue said. But "there can be no turning back."

ROBERT HARBRANT, president of the AFL-CIO Food & Beverage Trades Dept., took sharp issue with those who praise the courage of Polish union leaders but "turn around and smash trade unionism here at home."

Howard Chester, executive secretary of the Stone, Glass & Clay Coordinating Committee urged delegates to join with the Citizen-Labor Energy Coalition to fight decontrol of natural gas prices, which he said could cost the nation over 3 million jobs as well as higher prices.

Other convention speakers included AFL-CIO International Affairs Director Ernest Lee, Pottery Workers President Lester H. Null, President Norman Hill of the A. Philip Randolph Institute, and two past presidents of the union, Lee W. Minton and Harry A. Tulley.

Dean K. Clowes Dies at 58, International Labor Specialist

Dean K. Clowes, former deputy under secretary of labor for international affairs and a veteran trade unionist, died Sept. 3 after a heart attack in Washington. Before accepting the government post in 1979, Clowes, 58, had been on the Washington staff of the Steelworkers, heading the union's political action, international affairs and older and retired workers departments.

He had recently become labor liaison representative with the Democratic National Committee.

From 1964 to 1968, he was deputy director of the AFL-CIO African-American Labor Center in New York.

AFL-CIO PRESIDENT Lane Kirkland, in a letter to Clowes's widow, Gladys, praised his service to his country and the labor movement, describing him as "a man of kindness, honor and sincerity."

"Those qualities," Kirkland continued, "made him a great trade unionist . . . more important, they also made him a dear friend whose memory will be cherished."

Clowes began his labor career as a representative with the national CIO in Atlanta in 1948. He became labor adviser to the Marshall Plan in Europe and joined the Steelworkers as a staff representative in 1953.

HE WAS a labor adviser in the 1960 presidential campaign of John Kennedy and served as a staff labor coordinator for Vice President Hubert H. Humphrey in the 1964 and 1968 campaigns.

In addition to his wife, he is survived by two daughters, Joan and Kathleen, and a son, Philip, all of Silver Spring, Md.

The family has requested that memorials be in the form of contributions to the American Heart Association.

Air Controller Strike Spurs Letter to ILO

(Continued from Page 1)

affairs were cited in the complaint. These include excessive government fines against the union, imprisonment of union members who failed to return to work or to order others to return to work, and attempts to prohibit non-violent picketing.

In addition, the complaint charged that FAA supervisers are telephoning union members who have received termination notices and advising them to dissociate themselves from PATCO by appealing the terminations without union representation.

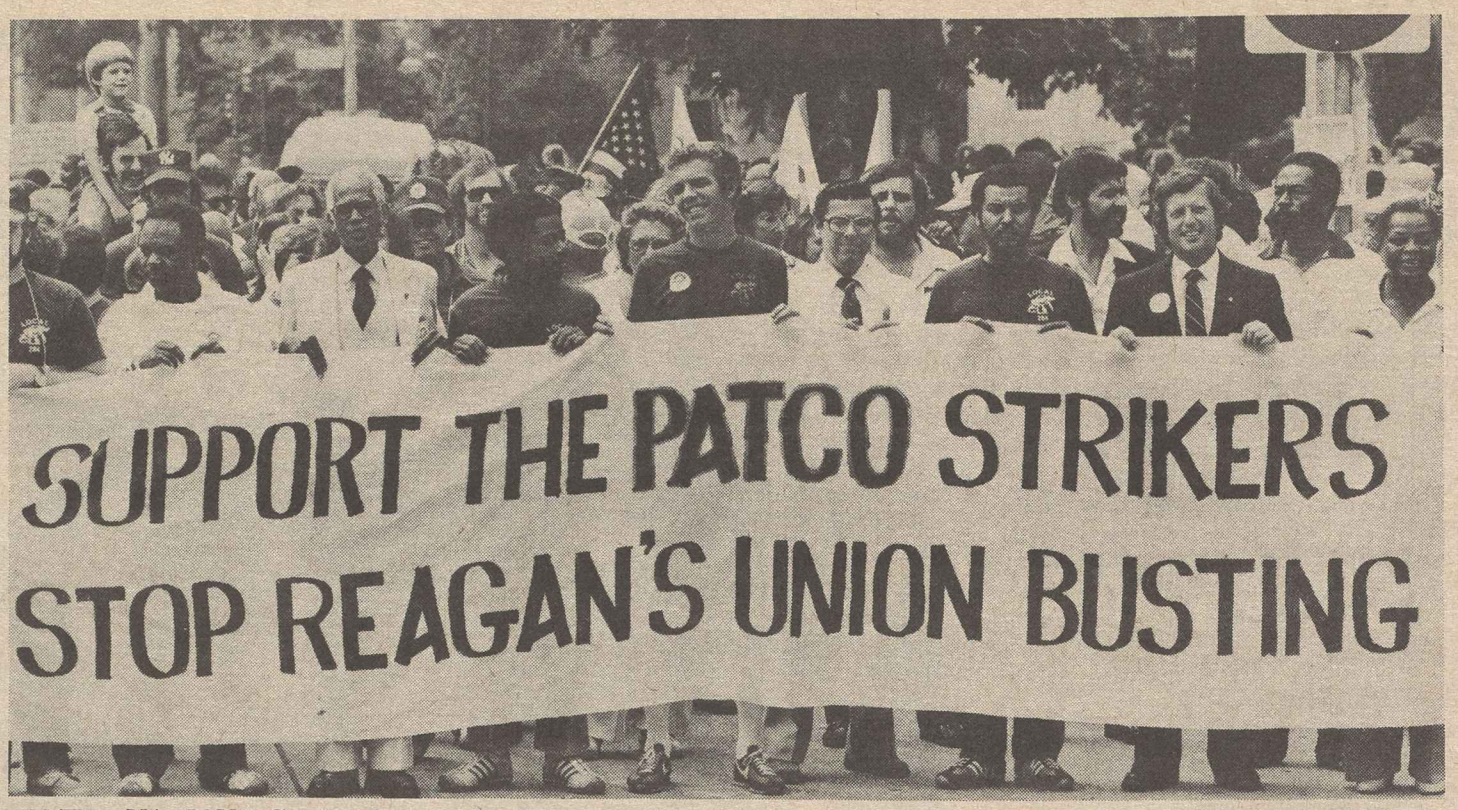
Also, "government personnel are telling union members that they can avoid being terminated only if they cooperate with the government and testify against the union," and "threatening physical violence against union members if they report intimidating communications to their union."

THE COMPLAINT also focused on the Administration's over-zealousness in pursuing legal actions against the union and its members. Rather than consolidate the litigation in one court, the complaint noted, the government prosecuted cases against the union in approximately 70 courts, "attempting to overpower the legal capabilities of the union." The Administration also is pursuing some 75 criminal indictments aganst individual union members for their participation in the strike, the ICFTU observed.

On the issue of the right to strike, which is denied air traffic controllers, the ICFTU pointed out that the absence of this right was not offset by adequate guarantees to safeguard workers' interests. The government's dismissal of PATCO members, its refusal to bargain, and its refusal of offers of mediation were cited.

"In the U.S. air traffic system, airline pilots and other organized groups have the right to strike while the controllers do not enjoy this right," the ICFTU said.

"Since the effect of job actions by these different groups would be the same, the limitation of rights for controllers is clearly discriminatory, and shows that there is no demonstrable need to treat all governmental employees alike with regard to limitations of rights."



IN THE NATION'S CAPITAL, the AFL-CIO Central Labor Council drew on strong community support for this Labor Day march to a rally of solidarity with striking Air Traffic Controllers. The sign tells the story. Aid to the striking controllers continued to pour in from unions and individuals across the country, with the AFL-CIO's PATCO Family Fund approaching the $300,000 mark. The fund was set up to provide food and clothing, medical emergency care and rental and mortgage money to prevent eviction and foreclosure.

Guest Worker Plan Scored As Union-Busting Scheme

Fresno, Calif.—The Reagan Administration's proposed "guest worker" program was roundly denounced as a "union busting" move aimed at destroying the United Farm Workers and fostering discriminatory actions against both Mexican and U.S. citizens in a resolution adopted by delegates to the UFW's fifth constitutional convention here.

The delegates also approved plans for the UFW to be represented at the Solidarity Day demonstration in Washington Sept. 19.

CALIFORNIA GOV. Edmund G. Brown, Jr., who signed the 1975 state law extending collective bargaining rights to farm workers, emphasized that unions, business and government must cooperate to compete economically with foreign countries but sharply attacked actions by the Reagan Administration to undermine unions and the rights of all U.S. workers.

The governor predicted that U.S. workers would soon sour on the Administration because of "Reagan's anti-union philosophy."

UFW President Cesar Chavez warned the delegates that "malignant forces" both inside and out of the union are "jointly struggling to destroy our union" and called for unity during the difficult days ahead when some 95 union contracts with growers come up for negotiations.

HE ALSO announced that the UFW had just received word that the Federal Communications Commission has finally approved the license for Farm Workers Communications, Inc., to operate a non-profit educational radio station in the San Joaquin Valley.

The station, which will reach an area covering more than 12,000 square miles, will have the power equivalent to a 50,000-watt station because it would be situated high on a mountain, Ken Doyle, the union's radio specialist, said.

The station is expected to be operational early next year, well before the Mar. 31 20th anniversary of the union.

AMONG OTHER actions, the delegates approved a resolution to set up a legal corporation to provide paralegal services for UFW members.

Chavez was re-elected as president of the union without opposition. Other key officers elected at the convention were Dolores Huerta, first vice president; Frank Ortiz, second vice president; Richard Chavez, third vice president; and Peter Velasco, secretary-treasurer.

Economic Index Continues Slide For Third Month

The Commerce Dept. reported that its index of leading economic indicators declined 0.1 percent in July, signaling continued sluggishness in the economy.

The third consecutive monthly drop in the index, which is designed to forecast economic trends, followed a revised 1-percent decline in June and a 1.6-percent drop in May. The June performance initially was estimated as a 1.3-percent drop.

Most of the recent weakness in the economy has resulted from high interest rates resulting from the Federal Reserve Board's tight money policy, which the Administration has supported as the price of curbing inflation.

THE ECONOMY boomed in the first quarter of the year, growing at an 8.6-percent seasonally adjusted annual rate. But during the second quarter, the real gross national product (GNP) shrank at a 2.4-percent annual rate.

In July, six of the 10 indicators that make up the index of leading indicators registered declines. The biggest falls came in the money supply and in new orders for manufactured consumer goods and materials. The other indicators contributing to the overall drop were the average workweek, vendor performance, building permits and stock prices.

Three of the indicators rose, partly offsetting the decline. These were the layoff rate, contracts and orders for plant and equipment, and change of total liquid assets. One indicator was unchanged—the change in sensitive crude materials prices, which averages movements over four months.

Chamber Asks Deeper Slash In Davis-Bacon Protections

The U.S. Chamber of Commerce urged the Administration to do a more thorough hatchet job on the Davis-Bacon Act than the Labor Dept. has proposed.

It praised the Labor Dept. for moving "in the right direction" with its plan to rewrite prevailing wage regulations so as to push down construction worker pay scales. But the Chamber complained that the Administration wasn't moving far enough and suggested more drastic regulatory changes that it claims would "save" the government $1.3 billion a year on construction contracts.

THE "SAVINGS" would come from giving open-shop contractors a clear preference for bidding on government contracts by assuring that the prevailing wage is set so low that union contractors couldn't compete.

The Labor Dept. proposal, which the AFL-CIO and the Building & Construction Trades Dept. charge would flout the intent of the Davis-Bacon Act, would change the rules for determining the prevailing wage so as to lower the rate in most localities. It would also set up a new low-paying category of "helper."

To achieve substantially deeper pay cuts, the Chamber proposed that the Labor Dept. adopt one of the following two plans:

- Survey wage rates in a locality for the various crafts and allow contractors to pay wages anywhere within the range. In other words, the lowest rate paid by any contractor in a locality would be the allowable wage on a federal construction contract.
- As an alternative, the prevailing wage rate would be set "by computing the average rate paid in the lower 50 percent of wages paid to a craft within the locality or survey area."

In defending its proposals, the Chamber contended that the Davis-Bacon Act wasn't intended to guarantee prevailing wages, but merely to establish a minimum wage that contractors might pay.

The Chamber also urged further liberalization of the allowable use of lower-paid helpers.

9/12/81

Correspondence about address corrections should be sent with attached mailing label to: Subscriptions, Room 209, 815 16th Street, N.W., Washington, D.C. 20006.

U.S.-Israeli Ties Stressed On Histadrut Anniversary

The trade union movements of the United States and Israel are linked by democratic values and a common commitment to freedom, AFL-CIO President Lane Kirkland said in a message to the 60th anniversary convention of Histadrut.

"The values we share must be defended, as must the progress we have made on behalf of working people in our two countries," Kirkland wrote Histadrut Sec.-Gen. Yerucham Meshel.

Despite temporary setbacks, "the struggle to achieve liberty, justice and security for all cannot falter," Kirkland declared. Because the values are universal, he said, "they will sooner or later prevail."

Kirkland voiced pride in U.S. labor's steadfast support for the creation of an independent Jewish national homeland, dating back to an AFL convention resolution in 1917, and in the fact that the creation of the state was largely achieved "by ordinary working men and women" with a "solid foundation of trade union principles."

Workers, Allies Across Nation Head for Solidarity Day March

AFL-CIO News

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IN PHILADELPHIA, area labor leaders and several thousand other supporters joined striking teachers in a City Hall rally to protest conditions that led to the walkout. The Philadelphia Federation of Teachers called the strike after the school board laid off some 3,500 workers and rescinded a pay increase agreed to in a contract signed last year. The walkout involves some 22,000 teachers and other school employees.

Rank-and-File to Protest Reagan Rollback of Gains

By bus, train, car pool and camper, Americans who want to send a message to the Reagan Administration and to Congress headed for Washington to join in the Solidarity Day demonstration called by the AFL-CIO and endorsed by some 200 national organizations.

Groups marching down Constitution Ave., from the vicinity of the Washington Monument to the West Front of the U.S. Capitol, will include major senior citizen, civil rights, religious, consumer and women's organizations as well as unions not affiliated with the AFL-CIO—all joining to protest Reagan's attempt to reverse four decades of social progress.

More than a day before the Sept. 19 demonstration, the more distant caravans began rolling. In Minnesota, union members were up before dawn on Sept. 18, to board buses in Minneapolis and St. Paul for a 7 a.m. departure—and a 26-hour drive to Washington. Iowa and Oklahoma buses were among other early starters.

THE NIGHT BEFORE, car pools from Seattle began moving union members across the Canadian border to Vancouver —to board a plane to Toronto over a route staffed by union air controllers, and then to begin a 10-hour bus trip to Washington.

Most of the participants will be coming from lesser distances, within a 300-mile radius of the nation's capital.

With a substantial turnout assured, the emphasis in the final round of interviews and speeches by AFL CIO President Lane Kirkland and Sec.-Treas. Thomas R. Donahue has been on the goals of the demonstration.

IT'S A TAKEOFF point, not the finish line, they stressed, of a continuing campaign to defend social and economic progress from the Reagan Administration and a me-too Congress.

Kirkland told reporters that the impact of Solidarity Day will be felt long after the last demonstrator has left Washington, and will be reflected in closer ties that have been forged between the trade union movement and its Solidarity Day allies.

"It will strengthen us for today and tomorrow," Kirkland said. "It strengthens people to look around and see they're not alone. It encourages them."

KIRKLAND TRACED the genesis of Solidarity Day to President Reagan's assertion, early in his Administration, that labor's criticism of his budget and tax policies reflected only the views of union leaders, not of rank-and-file members.

"There's only one real adequate response to that kind of position," Kirkland said, "and that is to bring the rank-and-file to town and give them an opportunity to present their views."

Kirkland noted that at the series of

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Preparations For Rally Hit Fever Pitch

By David L. Perlman

On Solidarity Day Minus Three, the phones in the AFL-CIO's command post never stop ringing, logistics problems mount—and Solidarity Day coordinator John Perkins and his staff couldn't be happier.

The 26 satellite parking areas for buses and cars that will bring demonstrators to Washington were barely adequate for yesterday's estimates. Now, NAACP coordinator Ina Boon puts down a telephone to pass the word that her organization will have at least 51 more buses coming to Washington than the start-of-the-week tally indicated. That latest call was from North Carolina, where NAACP branches have lined up 14 chartered buses instead of the nine previously scheduled.

No sweat. They'll get parking spaces assigned somewhere.

SOLIDARITY DAY headquarters is a large conference room that has been transformed into a warren of makeshift cubbyholes just big enough to squeeze in a desk and phone for each of the people responsible for the myriad details.

Posters and placards lean against the walls. A new box of signed Solidarity Day petitions is set down precariously on top of an earlier stack. Secretaries, unfaillingly polite and cheerful, give intricate driving directions to callers between bites of lunch at their desks.

An advance team from the Auto Workers comes to find out about permits for bullhorns. The Ladies' Garment Workers telephones to confirm the schedule for the

(Continued on Page 8)

100,000 Face Sharp Cut In Trade Adjustment Aid

One hundred thousand unemployed workers drawing trade adjustment assistance because their jobs were wiped out by imports will have their benefits cut by an average of more than $100 a week after Oct. 1.

That's the start of the new fiscal year, when the budget cuts sought by President Reagan and enacted by Congress start to take effect.

UNTIL OCT. 1, workers certified for trade adjustment benefits are entitled to 70 percent of lost wages up to a ceiling equal to the average factory wage in the United States—currently $289 a week.

After Oct. 1, the amount of their benefit will be determined by their state's unemployment insurance program. In some cases, that will be less than half their current payments.

While every section of the nation has its import victims, the Labor Dept. says the largest group is made up of displaced auto workers, with a heavy concentration in Michigan and other Great Lakes states.

EVEN IN Michigan, where a recent increase in state unemployment insurance benefits brought the ceiling to $182 a week, the drop in payments will exceed $100.

Most state benefit ceilings are lower than that. In neighboring Indiana, for example, the displaced worker who had been getting $289 in trade adjustment benefits will drop to a state maximum of $141 a week for a person with dependents or $84 for a jobless worker without dependents.

Another provision written into the budget bill will achieve further "savings" by cutting back on the number of workers entitled to even the reduced level of trade adjustment benefits. That change takes effect next Dec. 13, six months after President Reagan signed the budget reconciliation bill.

Workers seeking certification for payments after that date must demonstrate that foreign import competition was a "substantial cause" for their unemployment, a definition the Administration regards as more stringent than the present requirement that imports "contributed substantially" to the job losses.

A section of the budget reconciliation bill that is already in effect has knocked Rhode Island out of the small list of high-unemployment states still providing a 13-

(Continued on Page 3)

Convention Call Cites Critical Issues

The AFL-CIO issued the official call for its 14th Constitutional Convention, noting that the federation will meet in its centennial year "when workers and trade unionists are deeply disturbed" by the direction the country is headed.

The convention will be held at New York's Sheraton Centre Hotel, starting Nov. 16, at 10 a.m.

In issuing the call, Federation President Lane Kirkland and Sec.-Treas. Thomas R. Donahue observed that "radical changes in America's social and economic structures are being pressed by a business-oriented Administration and embraced by a compliant Congress."

KIRKLAND AND DONAHUE said that the Reagan White House is following four main avenues in efforts to roll back a half-century of labor's gains.

They cited "tax cuts that favor the rich; cuts in federal spending that injure the public interest; termination of federal regulatory programs that protect workers, consumers and the environment; and monetary policies that destroy jobs, feed inflation and bankrupt companies and industries that depend upon borrowed money.

"As the strongest, best-organized force defending the interests of workers and the plain people of the United States, the labor movement must provide nationwide leadership in opposition to this destructive process," Kirkland and Donahue stressed.

"Delegates to the AFL CIO convention face the task of establishing programs and policies around which workers and all Americans who believe in freedom, democracy and the public interest can rally in the hard struggle that lies ahead."

The notice to affiliates includes a replica of the call to the 1881 founding convention of the Federation of Organized Trades & Labor Unions, which became the American Federation of Labor five years later.

"The time has now arrived for a more perfect combination of Labor—one that will concentrate our forces so as to more successfully cope with concentrated capital," the 1881 call observed.

IT NOTED THAT there were numerous local, national and international unions already in existence. "But, great as has been the work done by these bodies, there is vastly more that can be done by a combination of all these organizations in a federation of trades. . . .

"Only in such a body can proper action be taken to promote the general welfare of the industrial classes. There we can discuss and examine all questions affecting the national interests of each and every trade, and by a combination of forces secure that justice which isolated and separated trade and labor unions can never fully command," the 1881 call declared.

Pope Declares Unions 'Indispensable'

By James M. Shevis

Pope John Paul II declared in a major statement to the Roman Catholic Church that labor unions are "an indispensable element" of modern industrialized society, serving as "advocates for the struggle for social justice (and) for the just rights of working people."

In the third encyclical of his pontificate, John Paul defended workers' rights to form unions and engage in strikes and to have adequate salaries, health care, employment, and vacations. He stressed that unions should guard their independence and autonomy, warning that "they should not be subjected to the decision of political parties or have too close links with them."

THE ENCYCLICAL, or circular letter, to Roman Catholic bishops was written to commemorate the 90th anniversary of Pope Leo XIII's "Rerum Novarum" ("Of New Things"), the church's first social encyclical, which also dealt with work.

The latest papal letter touches on many specific worker issues, including jobs and unemployment, wages and social benefits, the role of multinational corporations in society, agricultural labor, and the problems of women workers, migrant workers, and the handicapped.

In a section of the 24,000-word encyclical on "social benefits," the Pope said that wages should be high enough so that a man can support a family and so a mother will not have to work to help the family survive.

"IT WILL redound to the credit of society to make it possible for a mother—without inhibiting her freedom, without psychological or practical discrimination and without penalizing her as compared with other women—to devote herself to taking care of her children and educating them in accordance with their needs," the official English version of the encyclical states.

"Having to abandon these tasks in order to take up paid work outside the home is wrong from the point of view of the good of society and of the family when it contradicts or hinders these primary goals of the mission of a mother."

The Pope recognized, however, that "in many societies women work in nearly every sector" and he called for their fair treatment on the job. Working women should be allowed to "fulfill their tasks in accordance with their own nature, without being discriminated against and without being excluded from jobs for which they are capable," the Pontiff said.

On a more general level, John Paul said, work for all human beings "must be organized and adapted in such a way as to respect the requirements of the person and his or her forms of life, above all life in the home."

"LABOREM EXERCENS"—the Latin title for the encyclical, meaning "through the exercise of work"—is John Paul's most sweeping socio-political statement since he was elected Pope nearly three years ago. He said he had intended to issue the document on May 15, but the attempt on his life two days earlier delayed its publication. Encyclicals have traditionally been used by popes to address the world's 600 million Roman Catholics on major doctrinal, moral and disciplinary issues, and to apply church teaching on social matters.

A central theme of the document is the Pope's strong opposition—vigorously expounded on his trips abroad—to the "dehumanizing excesses" of modern economic systems. He blamed both "rigid" capitalism and the "collectivist system" for subordinating the worker to economic goals.

"We must emphasize and give prominence to the primacy of man in the production process, the primacy of man over things," the Pope said. "We must first of all recall a principle that has always been taught by the church, the principle of the priority of labor over capital."

THE POPE SAID Catholic social teaching supports "proposals for joint ownership of the means of work, sharing by the workers in the management and/or profits of businesses, so-called shareholding by labor, etc.

"Whether these various proposals can or cannot be applied concretely, it is clear that recognition of the proper position of labor and the worker in the production process demands various adaptations in the sphere of the right to ownership of the means of production."

An unabashed admirer of Poland's year-old Solidarity, the independent labor federation, John Paul uses the word "solidarity" frequently in the letter as in the following defense of independent trade unions:

"IN ORDER TO achieve social justice in the various parts of the world, in the various countries and in the relationships between them, there is a need for ever new movements of solidarity of the workers and with the workers. This solidarity must be present whenever it is called for by the social degrading of the subject of work, by exploitation of the workers, and by the growing areas of poverty and even hunger. The church is firmly committed to this cause. . . ."

In an introduction to the letter, the Pope stresses the theological aspect of work, giving it a spiritual dimension that sets man apart from other forms of life.

"From the beginning, (man) is called to work. Work is one of the characteristics that distinguish man from the rest of creatures, whose activity for sustaining their lives cannot be called work. Only man is capable of work and only man works, at the same time by work occupying his existence on earth. Thus work bears a particular mark of man and of humanity, the mark of a person operating within a community of persons."

TV Campaign Hits Reagan Attack on Social Security

The State, County & Municipal Employees is challenging the Reagan Administration's attack on the social security system with a 13-city television advertising campaign that urges viewers to write members of Congress.

AFSCME President Jerry Wurf said the union has committed $400,000 to the TV advertising campaign, on top of earlier newspaper ads, because "we won't let the Reagan Administration take away what working Americans have earned."

The union's message, he stressed, is that "social security is not a handout. It's a contract between the United States government and the American people" and its promised benefits have been earned "through lifetimes of hard work."

A SIMILAR theme was stressed earlier this year in a newspaper advertisement sponsored jointly with the Auto Workers and in AFSCME ads detailing the impact of the Reagan Administration's budget and tax cuts.

AFSCME Sec.-Treas. William Lucy told a news conference that 37 television stations in the 13 target cities are running the union's 60-second commercial. But another 24 stations, he said, refused to sell time to the union, generally on the excuse that they do not carry "advocacy advertising."

The "contract, not a handout" commercial began a weeklong run on television stations in the following cities: Washington, New York, Chicago, Philadelphia, Dallas, Hartford, Atlanta, Miami, San Francisco, St. Louis, Cleveland, Detroit and Pittsburgh.

Rubber Workers Win Oklahoma Plant Vote

Oklahoma City—Workers at Firestone's Dayton Tire plant here voted in the Rubber Workers in the union's seventh organizing attempt at the facility.

In a National Labor Relations Board election Sept. 11, plant workers voted for URW representation 564-513. There were 1,215 workers eligible to vote.

URW President Peter Bommarito called the win a major victory for the union that reflects an upsurge in union organizing in the South and Southwest.



AMBASSADOR PHILIP HABIB

American Histadrut Council Focuses on Mid-East Outlook

Unity House, Pa.—Ambassador Philip Habib, special Middle East negotiator for the United States and personal representative of President Reagan, told a trade union parley here that the next few weeks will determine whether a comprehensive peace settlement in the Middle East will be possible.

In an address before 300 trade unionists at the biennial conference of the American Trade Union Council for Histadrut, Habib said the recent meetings between Reagan and Israeli Prime Minister Menachem Begin made decisions critical during this period of calm in the Middle East.

HABIB MADE ONE of his rare public appearances at the Labor Day weekend conference of ATUC at this center of the Ladies' Garment Workers. He was invited to address the session by Matthew Schoenwald, chairman of the council and vice president of the ILGWU.

Schoenwald informed the delegates that in appreciation of the ambassador's participation in the conference and in recognition of the service of his brother, the late Fred Habib, as an officer of Local 62 of the ILGWU, the council was dedicating an annual scholarship to the vocational high schools of the Histadrut in Israel in the name of Fred Habib.

HABIB DEVOTED most of his talk to a discussion of the potential of the Camp David Agreements which, he said, can't be described "in anything except highly laudatory terms."

He cautioned, however, that the principals in the agreements—Egypt, Israel and the United States—must take advantage of the calm now existing in the area to get the most out of the Camp David accords.

Habib warned that "the problems are long-term, but the near future must produce movement or the confrontation will arise that will threaten everything."

The theme of the two-day conference was "Prospects of Peace in the Middle East." The ATUC maintains active support for and liaison with Histadrut, the General Federation of Labor in Israel.

Congress Urged to Reject Funds for Shift of NIOSH

The AFL-CIO has urged the House Appropriations Committee to deny the Reagan Administration funds for shifting the headquarters of the National Institute for Occupational Safety & Health from the Washington area to Atlanta.

A House appropriations subcommittee in a 5-to-2 vote has already rejected the use of nearly $2 million to cover the cost of the move.

THE TRANSFER of the NIOSH headquarters from Rockville, Md., to the Centers for Disease Control in Atlanta is being pressed by Sec. Richard S. Schweiker of the Dept. of Health & Human Services.

Schweiker announced plans for the shift earlier this year after firing Dr. Anthony W. Robbins as NIOSH director and appointing Dr. J. Donald Millar to the post. Millar had been director of the Center for Environmental Health, a part of the federal disease control centers in Atlanta.

The proposed move, which unions assailed as an attempt to dismantle the agency, involves the shift of the director's office and about 110 key staff positions to Atlanta, as well as splitting off 50 technical experts from the headquarters operation and moving them to Cincinnati.

AFL-CIO President Lane Kirkland expressed concern that the role of NIOSH may be diminished and subordinated by the move and that many of the agency's highly qualified staff members who are unable to make the transfer will be lost.

"In addition, important liaison work with OSHA, EPA and representatives of workers will be unnecessarily constrained by the geographic distance created by the move," Kirkland stressed.

KIRKLAND ALSO pointed out that the agency neglected to consult with Government Employees Local 41, which represents the NIOSH staff, before announcing the move.

In a letter to Chairman Jamie W. Whitten of the House of Appropriations Committee, AFL-CIO Legislative Director Ray Denison warned that the shift would seriously impair the ability of NIOSH to carry out the directives of Congress under the federal job safety law to protect workers.

Strong opposition to the shifting of NIOSH also was expressed at a Capitol Hill press conference by union, public interest and congressional representatives, including the AFL-CIO Industrial Union Dept., the Oil, Chemical & Atomic Workers, AFGE, Mine Workers and Rep. Michael D. Barnes (D-Md.).

Miners to 'Convene' On Solidarity Day

The United Mine Workers has announced a "special convention" to coincide with Solidarity Day to assure that mine operators won't be able to keep UMW members from coming to Washington.

Union contracts allow workers to take off without pay for "official union business," but some mine owners said they didn't consider the Solidarity Day demonstration an occasion for excused absences.

The union then proclaimed a "special convention" and UMW President Sam M. Church, Jr., said any member who took part in Solidarity Day would be considered a convention delegate. The business of the convention will be to march with the UMW's contingent.

Industry Negotiations

Job Guarantees Key Goal Of Auto Workers in '82

Detroit — Auto Workers President Douglas A. Fraser alerted the industry that negotiation of some form of job guarantee will be a major priority of the union in next year's round of auto bargaining.

"I believe the UAW will seek a guaranteed right of employment in the 1982 contract," Fraser said in an address to the Economic Club of Detroit.

HE POINTED OUT that the union's collective bargaining proposals have always grown out of the experiences and problems of the membership.

"The local union delegates to our collective bargaining convention will decide what direction we take," Fraser said. "But I think the experiences of the workers in the current auto depression argue that job security will be a priority issue in 1982 bargaining.

"The agony and horror of the layoffs experienced in the last two years must never again be allowed to occur," the UAW president said.

Fraser acknowledged the wage differential between U.S. and Japanese auto workers, a good portion of which, he said, exists today because of currency fluctuations.

"BUT OVERALL," he said, "Japanese auto workers have not shared proportionately in the fruits of their productivity."

In addition, he said, simply looking at the differential in wages ignores the progressive elements of Japan's employment system—such as job security, transportation allowances, subsidized housing, and many more.

"I believe that the proper solution to the Japanese wage differential lies in raising Japanese wages to a level commensurate with their productivity," Fraser observed. "The answer is not to roll back American workers' wages to the levels paid in Japan or Brazil or Korea."

FRASER UNDERSCORED the UAW's commitment to responsible, realistic bargaining. But he stressed that this means more than just intelligent restraint at the bargaining table.

"Bargaining responsibly also means that both the union and management do everything possible to wipe out waste and inefficiency in the delivery of negotiated benefits, thereby saving money for everyone—the worker, the consumer and the company," Fraser said. "We at the UAW are committed to doing that."

Fraser listed a number of steps that he said must be taken to lift the auto industry out of its current depression, singling out especially the need for lowering interest rates.

"President Reagan fails to take the steps necessary to deal with the problem of high interest rates," he said. "The 20-percent prime rate is choking the lifeblood not only from the auto industry, but from housing and other crucial sectors of the economy."

FRASER AGAIN CALLED for a U.S. auto policy designed to bring the industry back to health, saying that policy should include local content legislation. Such legislation, he said, is needed to limit the ability of GM and Ford "to pull down the American flag and raise the colors of Korea or Brazil or other countries which pay workers so little they can't afford to buy the products they build."

Even more important, he said, would be the impact on the Japanese automakers.

"They've got an $11 billion market in the United States, and we believe they should put some capital here and create some jobs here," the UAW president said.



UNION MILLINERY workers demonstrate their hat-making skills at the annual Labor Day street fair in New York sponsored by District 1199, the health care affiliate of the Retail, Wholesale & Dept. Store Union. A number of other unions and the Coalition of Labor Union Women joined in this year's program.

Michigan Unions Back Riegle To Counter Far-Right Attack

Dearborn, Mich.—Michigan labor isn't waiting until 1982 to begin the drive to re-elect Sen. Donald Riegle (D). Delegates to the 13th convention of the Michigan AFL-CIO gave Riegle an early endorsement for what is shaping up as a tough re-election campaign.

Riegle has been targeted for defeat by the Moral Majority, which has placed him number two on its "hit list," right behind Sen. Edward M. Kennedy (D-Mass.).

THE ENDORSEMENT resolution was adopted after Riegle told the delegates that the Moral Majority was out to get him primarily because of his pro-labor voting record.

"I come here today with one of the best COPE voting records, and I'm proud of it," Riegle said. "When the far right targeted me for defeat in 1982, they also targeted the labor movement."

He vowed to continue his fight against the Administration's efforts to gut the social security system, charging that President Reagan and congressional Republicans "will proceed with the dismantling of social security piece by piece because they don't believe in it."

When the 1982 election campaign goes into high gear next year, there may be a fully united labor movement in Michigan backing Riegle and other pro-labor candidates.

IN HIS KEYNOTE speech to the convention, Michigan AFL-CIO President William C. Marshall welcomed the national reaffiliation of the UAW with the AFL-CIO and urged immediate steps to carry out the reaffiliation process at the state and local levels.

Delegates then adopted a resolution calling for the establishment of a State AFL-CIO committee to meet with the Michigan UAW leadership "in the hopes of securing their early return to the Michigan AFL-CIO and every local central body in Michigan."

In his speech, Marshall lashed out at the Reagan Administration and its allies who "seem intent on destroying all of the progress working people made in the last 50 years."

HE SINGLED out Reagan's treatment of the air controllers, comparing it to the "yellow dog" contracts of the past when workers had to sign away their right to union representation if they wanted to keep their jobs.

"Yellow dog contracts are one form of tyranny, whether they're put in by government regulation or private power. We've fought 'yellow dog' contracts for 100 years in the private sector—and we'll fight them for the next 100 years in the public sector if necessary," Marshall said.

Michigan Gov. William Milliken (R) told the convention that he will propose major changes in workers' and unemployment compensation benefits in order to improve the state's "business climate."

Big business leaders have been pushing for reduction in benefit payments and restrictions in the coverage of those programs. While Milliken did not detail his proposals, he did indicate they would lean toward the business arguments.

MARSHALL WAS re-elected without opposition to a new term as president, a post he has held since 1971. He served as executive vice president from 1960 to 1969 and as secretary-treasurer in 1969-71.

Walter Oliver, State, County & Municipal Employees staff member, defeated incumbent George B. Watts, former Steelworkers representative, to become the federation's secretary-treasurer.

Other convention speakers included NAACP Executive Director Benjamin Hooks, UAW President Douglas Fraser, Sen. Carl Levin (D-Mich.), A. Philip Randolph Institute President Norman Hill, UAW Vice President Don Ephlin, and COPE Director Al Barkan.

100,000 Jobless Face Sharp Cut In Trade Act Aid

(Continued from Page 1)

week period of extended benefits for workers still jobless after having used up their maximum 26 weeks of regular state benefits.

Rhode Island "triggered-off" the extended benefits program because a new method of calculating the insured jobless ratio was written into law as part of the budget process.

UNDER THE NEW system, persons who use up their state benefits and start drawing extended unemployment benefits are no longer counted as unemployed. Thus, the longer people are without jobs, the lower the insured unemployment rate.

Rhode Island is a small state, and only 2,500 workers were cut off from benefits as a result of the change. But bigger states are currently threatened by the change. The director of the Michigan Employment Security Commission said nearly 50,000 long-unemployed workers in Michigan stand to lose benefits under the change in the trigger formula. Only a new round of auto layoffs that pushed up the number of new unemployment compensation claims prevented a triggering-off of the state's extended benefits program in mid-September.

Chaikin Links U.S., British Labor Goals

Blackpool, England—The AFL-CIO and the British Trades Union Congress, partners for decades in the struggle to strengthen the international labor movement, were urged to join together anew to raise the living standards of free world workers.

"There is extraordinary value in our independence—and in our mutual caring and sharing for bread and freedom, dignity and human rights for all," President Sol C. Chaikin of the Ladies' Garment Workers observed at the TUC's 113th annual convention in this English coastal city.

"YET MUCH remains to be done where our cooperation can be meaningful—in Africa, Asia, Europe and Latin America.

"None of us who values human rights and decency can be neutral in the struggle between the forces of freedom and the legions of tyranny. Let us join with our free brothers and sisters to bring about the changes that are needed."

Chaikin, addressing the TUC as the federation's fraternal delegate to its convention this year, noted that the American and British labor movements have enjoyed friendly relations and delegate exchange visits since 1895. In the years since then, culminating in the immediate post-World War II era, the two movements worked closely together to advance free trade unionism.

IN 1945, with the defeat of Hitler, the TUC and the AFL played leading roles in creating closer and more fruitful relations between national trade union centers, and provided the bulk of support for the formation of the International Conference of Free Trade Unions in 1949, Chaikin pointed out. The two also joined in helping to establish the DGB (Deutscher Gewerkschaftsbund) labor federation in occupied Germany after the war, he recalled.

In the past year, the TUC and the AFL-CIO have given practical aid and moral support to "those courageous workers in Poland who have challenged a totalitarian government to create their own free trade union movement, Solidarity," Chaikin added.

"Let us continue in these efforts," he urged. "Where there is now oppression, poverty and disease, tears and travail, let there be peace and plenty," he said. "The only war we seek is that against hunger, disease, racism, totalitarian government, and the denial of the human spirit."

CHAIKIN NOTED that the AFL-CIO and the TUC today have much in common. In the United States, "Thatcherism has finally caught up with us in the name of Reaganism," he observed.

The effects of President Reagan's budgets and tax reductions—similar to those of British Prime Minister Margaret Thatcher—will be to "tear down the social and economic infrastructure of the United States which the trade-union movement, together with its liberal cooperators, laboriously built up in the last four decades," he warned.

Labor's answer to Reagan's deep slashes in social welfare programs such as food stamps and aid to education funds has been to marshal its resources and join with its traditional allies to advance workers' interests, Chaikin said. Solidarity Day on Sept. 19 will mark the opening shot in the campaign to complete the AFL-CIO's "unfinished agenda" for American workers, he said.

Kits Offered Students On College Debate Topic

College debaters will compete this year on the topic of whether the government should significantly curtail the power of unions, and the AFL-CIO Dept. of Education has compiled kits of background information for students arguing the proposal.

The college debate kit is available without charge from the AFL-CIO Pamphlets Division, 815 16th St., N.W., Washington, D.C. 20006.

'The Right of the People...'

THE FIRST AMENDMENT to the Constitution of the United States guarantees "the right of the people peacefully to assemble, and to petition the government for a redress of grievances."

Welcome to Solidarity Day!

Lessons in Reaganomics

WITH INNOCENT astonishment, the Administration is learning that heavy tax cuts that are supposed to fuel a new wave of investment by corporations and the wealthy reduce the government's revenue and increase deficits.

The President and his advisers also are discovering another elementary fact of economic life—that a deliberate tight-money policy pushes up interest rates, and since a large share of the federal budget goes into interest payments, this invariably pushes up the deficit.

And what is the Administration's response to these lessons? Why, to propose still deeper cuts in government programs, of course, and still bigger holes in the "safety net" promised for the "truly needy" who are not getting four-digit tax cuts.

Good News?

A CASUAL READER of newspaper headlines might easily conclude that President Reagan has abandoned his attack on social security and that working Americans can rest easy in the assurance that earned and promised benefits will in fact be paid when they come due.

"Reagan Rules Out Social Security Cut to Reduce Deficit" read the Page One headline in the Sept. 16 Washington Post. Other newspapers had similar headlines.

The hard news on which the headlines were based was this simple one-sentence statement issued by the White House press office: "The President has announced that he has no plans to propose additional cuts in social security beyond those he has already submitted to Congress."

And what of the cuts the President has already submitted to Congress?

Well, just as a reminder, he would drastically slash the benefit formula for people who retire at age 62 and make further changes that would hold down benefits for persons retiring at 65. He would also postpone cost-of-living adjustments for persons already retired and further curtail the already repeatedly reduced disability insurance program.

Beyond those, the White House assures, President Reagan will not now seek further cutbacks. Not for this year, that is.

But wait until next year.

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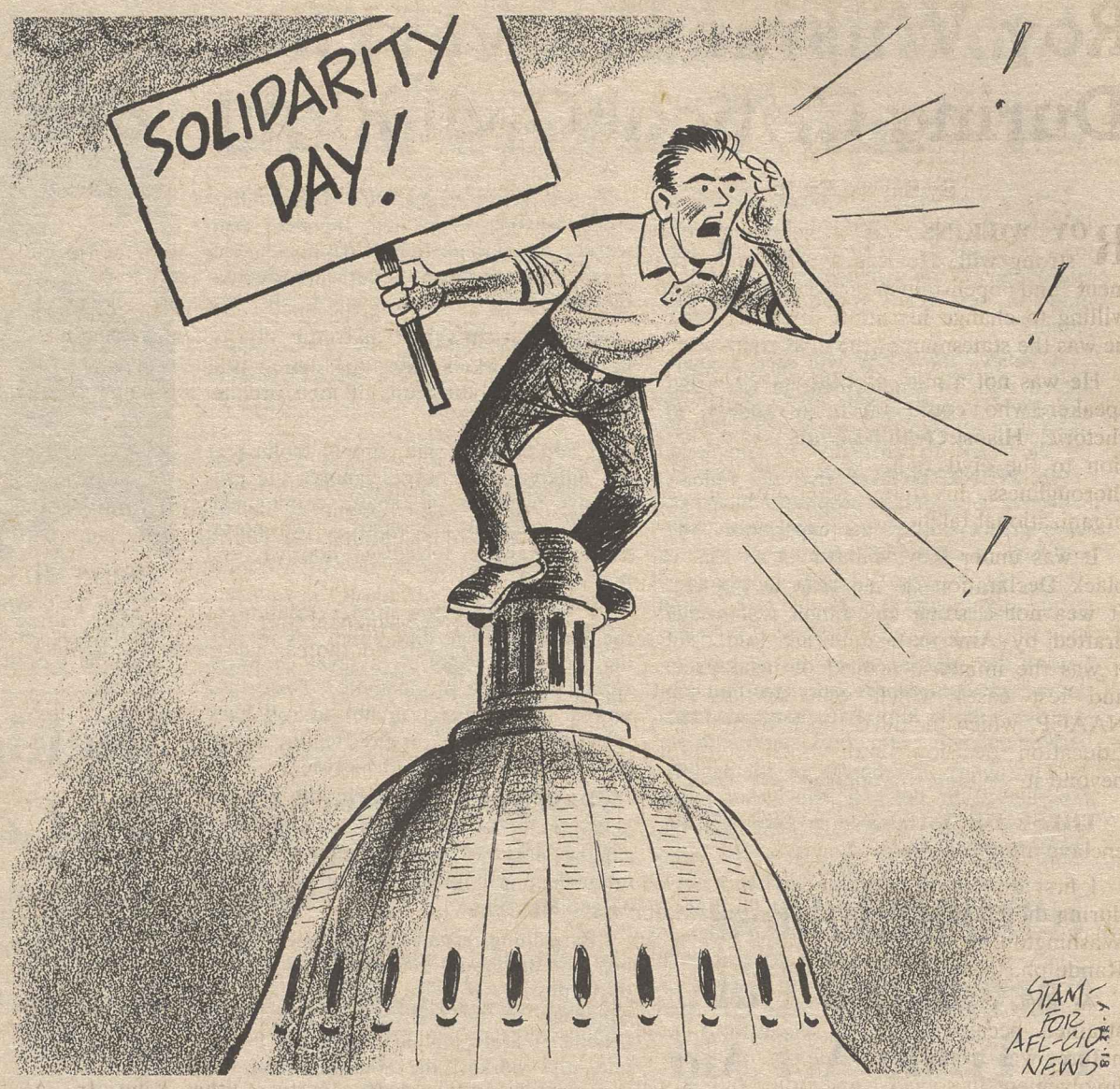
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From the Rooftop



Passing the Buck

Reagan Plays Same Old Game On Role of Federal Reserve

By Gus Tyler

THERE'S A GAME that Presidents of the United States play with the chairmen of the Federal Reserve Board. It's called Passing the Buck.

The way it has been played throughout the 1970s and now into the 1980s, the President appoints the chairman of the Fed. The President announces that his appointee is "independent." The appointee then proceeds to raise interest rates, causing much pain in many places. People protest to the President who, presumably has a big say in the making of economic policy in this country. The President passes the buck by reminding us that the Fed is beyond his or anyone else's control.

PRESIDENT REAGAN continues this tradition followed persistently by both his Republican and Democratic predecessors. Speaking to a California audience, Reagan said: "The Fed is independent, and they are hurting us, and what we're trying to do, as much as they're hurting everyone else."

So, as the game goes, the President dumped on the Fed.

But does Reagan really disapprove of the policies of the Fed? You would hardly guess so from the behavior of people high in his Administration. Murray Weidenbaum, the chairman of the President's Council of Economic Advisers, announced on "Meet the Press" that the Fed was "on target" and that its policies of monetary restraint (high interest rates) "needs to be continued."

IF ANYTHING, the Administration wants the Fed to get tougher: to tighten credit, to cut money supply. "Right now," reports the Wall Street Journal, "the Administration strongly supports the Fed's efforts to slow money-supply growth. In fact, Administration officials are trying to apply pressure to prevent backsliding. Reagan is the first President to appoint outspoken monetarists, such as Beryl Sprinkel (Treasury undersecretary) and Jerry Jordan of the Council of Economic Advisers to high policy-making positions."

So while the President attacks the Fed for its high interest rates, he uses his appointees—Weidenbaum, Sprinkel, Jordan—to praise tight money and to push for even tighter money. He is also preparing to replace the present chairman and vice chairman of the Fed, when their terms expire, with "monetarists" who will continue doing what the Fed has been doing up to now—but more severely.

This game of blaming the Fed was not invented by Reagan, of course. The tactic was standard with Nixon, Ford and Carter, whenever the political circumstances so required.

Actually, the Fed is not truly "independent." The chairman is appointed by Presidents who, if they have a policy, owe it to their conscience and their country to name someone whose policies are congenial to the Administration. Ironically, each President has made an appointment and then found it fit to dump on the appointee at chosen moments.

THE FEDERAL Reserve Board, moreover, is not embedded in the Constitution. It was created by Congress, it can be abolished, enlarged, altered, reorganized by act of Congress.

So, why, if the Fed is running the country, doesn't the President do something? Is it that Reagan, like the other Presidents before him, wants a fall guy, a fellow he can denounce in California while backing him in Washington?

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Programs and Policies To Rally Americans

The centennial convention of our federation meets at a time when workers and trade unionists are deeply disturbed by the direction their country appears to be taking. Radical changes in America's social and economic structures are being pressed by a business-oriented Administration and embraced by a compliant Congress.

The labor movement must provide nationwide leadership in opposition to this destructive process. Delegates to the AFL-CIO convention face the task of establishing programs and policies around which workers and all Americans can rally.

—From the AFL-CIO Convention Call.

Lasting Contribution

Roy Wilkins Provided Strength During Critical Civil Rights Era

By Bayard Rustin

ROY WILKINS was a gentle man with a strong will. He was a man of keen judgement and open-mindedness, a man who was willing to change his mind. In a very real sense he was the statesman of the civil rights movement.

He was not a man of charisma. He was not a speaker who could electrify crowds with his rhetoric. His strength and his lasting contribution to the civil rights movement rested in his thoroughness, his quiet determination, and his organizational talents.

It was under Roy Wilkins' aegis that the true black Declaration of Independence was written. It was not a single document such as the one drafted by America's founding fathers. Rather, it was the immense project of legal proceedings and test cases which were initiated by the NAACP, which included the Brown v. Board of Education decision, and which continued far beyond it.

THESE DECISIONS won rights for blacks in enclave after enclave of American society.

I first directly collaborated with Roy Wilkins during the planning stages of the 1963 March on Washington, which was initiated by A. Philip Randolph, the great black labor leader.

At first, relations between us were somewhat strained because Wilkins, a cautious man by nature, was troubled by my personal history of involvement in socialist and other radical causes. Yet despite initial misunderstandings, once we had begun working together and had come to understand that our goals for the black community were similar, we formed a close bond of friendship.

Despite his initial coolness to the idea of a March on Washington for civil rights and economic justice, once Roy Wilkins was convinced of the project's merits, he and the NAACP were to give the endeavour the strongest financial and organizational support it was to receive.

THAT THE MARCH was a great success was in large measure due to the organizational network Wilkins had established. And it was at Wilkins's insistence that Martin Luther King, Jr. was chosen to be the final speaker at that march and there delivered his historic "I Have a Dream" speech.

Because Roy Wilkins had a keen sense of what blacks wanted and because of his effectiveness in expressing the needs and desires of black Americans, he was frequently vilified by a minority of black extremists who sought to arrogate for themselves the right to speak in the name of all blacks.

Wilkins played a central role in leading black community opposition to the black power and separation movements which did so much to weaken black political power and to heighten racial tensions. He was a committed integrationist and he battled all the way with such extremists as Stokeley Carmichael and H. Rap Brown, who today are mere footnotes in the history of black political life.

Wilkins's contributions were great and lasting. They have survived him, above all, in the form of the NAACP, the organization which he helped build into a network with over 400,000 members. His stewardship of the NAACP encompassed the period of the 1950s and early '60s in which the civil rights movement made its greatest progress. He, likewise, led his organization in the more difficult and frequently disappointing period which was to follow.

THE DEATH of Roy Wilkins marks the final chapter of a great era in the history of the civil rights movement. It was an era of great visionaries and leaders—Martin Luther King, Jr., A. Philip Randolph, Whitney Young, and Roy Wilkins.

We are now, without question, firmly entrenched in a new era, an era whose outlines are not yet easy to perceive. The civil rights movement stands at the crossroads. Today, its influence is lower than at any point since its inception. It confronts the dangerous problems of a hereditary and ever-growing underclass of black poor, of economic inequality, and of an administration which is indifferent to the plight of the poor and working poor.

The civil rights movement is at a crossroads. One can only hope that new Roy Wilkinses will emerge to lead that movement down the proper path.

As Economy Flounders

Growing Public Concern Noted On Impact of Deep Reagan Cuts

A **PERCEPTION** is growing across the country of the tremendous costs the Reagan Administration budget and tax cuts will inflict on millions of Americans and on the economy itself, AFL-CIO Legislative Director Ray Denison said.

Translated into legislative impact, Denison said this perception means the Administration "will not have as easy a time as it has had to this point" in enacting further cuts in people-helping programs already in the discussion stage.

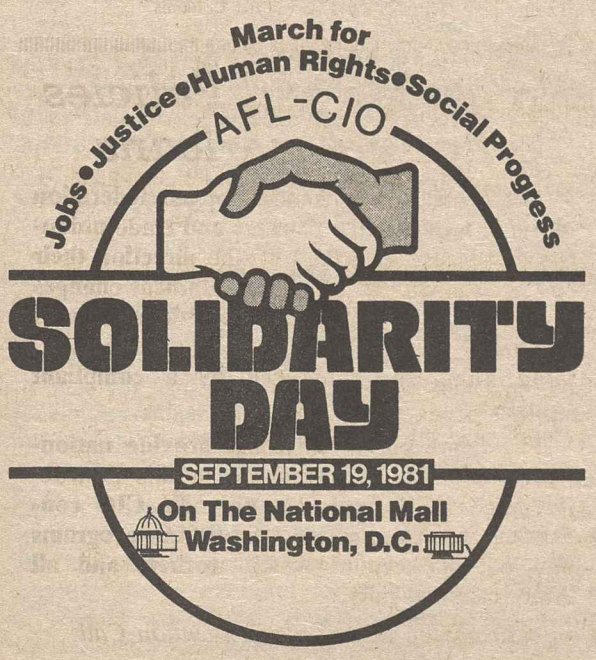
Denison pointed out on Labor News Conference that the financial community also has had widespread second thoughts concerning the Reagan economic program. Wall Street and the banking community, he said—which have been "the closest supporters of the President"—have "indicated that what is happening is not going to work."

There has been no evidence "in terms of the economic situation improving," he said. "Interest rates are still high. The housing market is in collapse. Cost of food is still rising. Unemployment is increasing."

Denison said these conditions will create "a stiffening in the Congress" to the Administration's proposed second round of budget cuts. He refuted contentions that labor and its allies are in "disarray," pointing out that legislative events have flowed from the fact that "the numbers are there" in Congress for the conservatives—that they hold absolute numerical control in the Senate and ideological control in the House.

HE PREDICTED, however, moderate Republican House members from the Northeast and Midwest who were pressured to support the Administration's first round of budget cuts of needed social programs would "return to the ranks" in support of these programs when the Administration seeks further slashes.

Reporters questioning Denison on the AFL-CIO produced public affairs program were Dale McFeatters of Scripps-Howard Newspapers and Robert Cooney of Press Associates, Inc.



Washington Window

By Press Associates, Inc.

AMERICA'S PARENTS and schoolchildren are about to get a lesson that's not in the schoolbooks.

When President Reagan and the conservative 97th Congress cut the federal budget by some $35 billion, they were credited with a great political victory.

The budget cuts had to come from somewhere, however, and the nation's 26 million schoolchildren will be among the first to find out when they line up for lunch. If the Reagan Administration's pending proposals are adopted, the school lunches will be smaller and the prices higher.

WHEN CONGRESS complied with Reagan's budget cuts and reduced child nutrition programs from nearly $4.5 billion to $3 billion for fiscal 1982, it gave the Agriculture Dept. three months to find ways to economize, "without impairing the nutritional value of meals." The department made some administrative savings and then turned its budget ax to the school meal itself.

To eliminate waste or thrown away food, serving portions would be reduced in all categories—meat or meat alternate, bread, vegetable/fruit and milk—for almost all age groups. For example, fourth, fifth and sixth graders would receive 1.5 ounces of meat instead of the two ounces they now receive. Pre-schoolers now receiving six ounces of milk would receive four ounces. Secondary school children receiving three-fourths of a cup of vegetables or fruit would receive one-half cup.

"Crediting," or the determination of what food counts toward meal requirements, also would be loosened. For example, tofu, or soybean curd, cottage cheese, nuts, seeds and nut butters may count as meat. Yogurt may count as milk or meat. The amounts of dry beans and eggs needed to meet the meat alternate requirements have been dropped from one to one-half cup and two cups to one cup, respectively. Pickle relishes and ketchup may count as vegetables. Cake may fulfill the bread requirement.

ON TOP OF the portion reductions and substitutions, school lunch prices will go up by an average of 35 to 40 cents nationally, according to the Food Research & Action Center (FRAC), a public interest group.

Congress also tightened the eligibility requirements for free and subsidized lunches. A child from a family of four will be eligible to receive a free lunch if the parents' income is $10,990 or less. If the family income is between $10,990 and $15,630, a child may receive reduced-price lunches. Above that income, a child is expected to pay full price. The previous income cutoffs were $11,520 and $17,560, respectively.

Arnold Mayer, vice president of the Food & Commercial Workers, which supports the coalition, said the cuts in the school lunch program, coupled with cuts in the food stamp program, would effectively end the nation's anti-hunger efforts and could result in "the return of mass hunger in the United States."

FRAC Director Nancy Amidei said: "We feel this is compromising children's health. The proposed new standards will not provide one-third of the daily nutritional requirements of children. On top of this, in many instances, some poor children receive up to half of their daily food from the school lunch program."

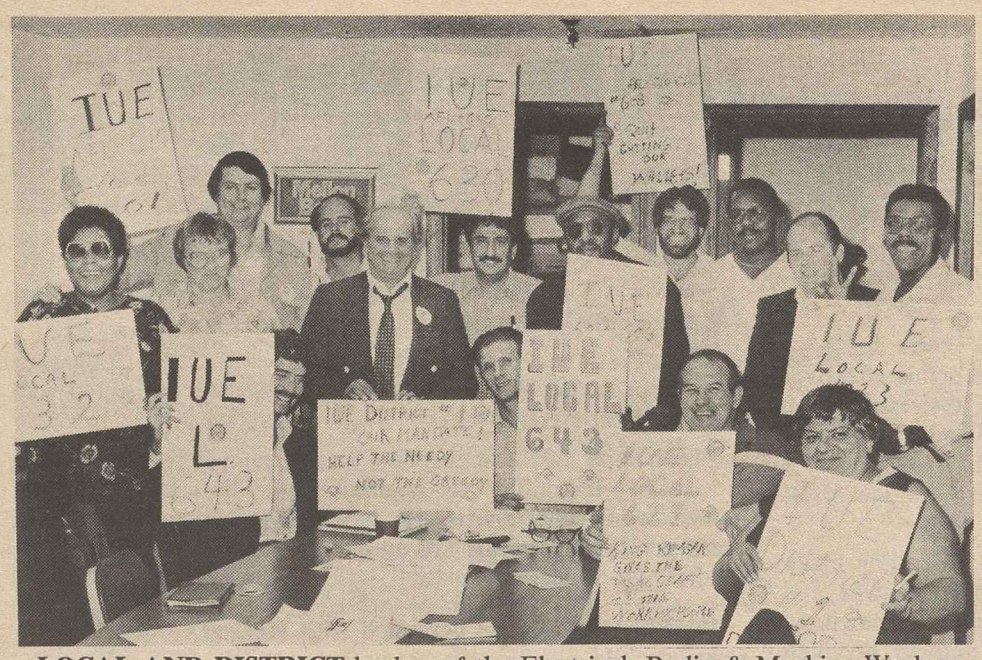
Undernourishment in children has been shown to cause growth and behavior abnormalities, anemia, chronic illness, impaired learning ability and, in severe cases, mental retardation.

As the Administration and the conservative Congress see it, out of a total budget of about $700 billion they can save $1.5 billion by reducing child nutrition programs. As we now see it, those alleged savings will come by literally taking food out of the mouths of children and risking the health of many kids at a time of critical physical and mental growth.

The parents of 26 million schoolchildren and other responsible citizens must wonder if this is what they voted for.



PUBLIC AWARENESS is growing of the cost impact the Reagan Administration's budget and tax cuts will have on the nation, AFL-CIO Legislative Director Ray Denison, center, said on Labor News Conference. He was questioned by Robert Cooney, left, of Press Associates, Inc., and Dale McFeatters of Scripps-Howard Newspapers. The program is produced by the AFL-CIO as a public service and aired weekly on Mutual radio.



LOCAL AND DISTRICT leaders of the Electrical, Radio & Machine Workers in western Pennsylvania display some of the signs they'll be carrying at the Solidarity Day demonstration in Washington. Their handy work is the result of a sign-making party at IUE's regional office in Pittsburgh.

House Ignores Veto Threat, Approves Housing Funds

In a rare setback for the Reagan Administration, the House ignored a veto threat and approved a compromise appropriations bill to fund housing programs, veterans' services and an assortment of other programs for the fiscal year starting Oct. 1.

The vote was 209-197, and the conference agreement now goes to the Senate for final approval. There were indications, however, that the Senate Republican leadership might try to sidetrack the measure to avoid a confrontation and deal with appropriations for the new fiscal year through a temporary funding resolution.

DEMOCRATIC managers of the housing and veterans' bill pointed out that the totals were within the budget ceilings previously imposed by Congress and even below the budget request that President Reagan submitted last March.

Reagan complained of "budget-busting bills" in his veto threat, but the principal expenditure in the $56.3 billion appropriation that exceeded his budget request was for veterans' medical care. The President had sought to cut 5,181 staff posts and reduce outlays for 172 VA hospitals.

While a number of southern conservative Democrats—the self-styled "boll weevils"—voted with the Republican leadership, there were enough GOP defections to deny the President his accustomed victory.

THE BILL provides funding for 147,000 subsidized housing units in fiscal 1982, down from 210,000 in the current fiscal year.

In other congressional developments:

- A House-Senate conference will seek to reconcile bills providing a 14.3 percent pay raise for military personnel. The House version would apply the raise across-the-board; the Senate bill would give the bigger percentage increases to experienced officers and enlisted personnel with needed skills. Civilian federal employees are due a 4.8 percent raise on Oct. 1.

- Prospects for a labor-supported extension of the Voting Rights Act were enhanced by a strongly favorable recommendation from the U.S. Commission on Civil Rights. The commission, which is an independent, bipartisan agency serving a fact-finding role, said the law should be strengthened rather than weakened.

DESPITE increased political participation in states covered by the law's special provisions, the commission said, "minorities continue to face a variety of problems which the act was designed to overcome."

- The House Ways & Means Committee sidetracked a tariff relief bill that would have resulted in greater imports of ethyl alcohol and set back the development of a domestic fuel alcohol industry.

The Oil, Chemical & Atomic Workers and the Distillery Workers had warned that the tariff cuts would put U.S. workers out of jobs, and the AFL-CIO urged that the bill be rejected. Its sponsors withdrew the bill from consideration at a committee mark-up session Sept. 16 after it was evident that it did not have the votes to pass.

Labor Opposes Attempt to Relax Anti-Bribery Law

The AFL-CIO urged Congress to reject legislation that would weaken the Foreign Corrupt Practices Act, which was enacted in 1977 after a series of scandals involving bribery of foreign officials by U.S. firms in order to obtain lucrative contracts.

An Administration-supported bill being considered by the Senate Banking Committee "allows rather than prohibits bribery" and should be rejected, AFL-CIO Legislative Director Ray Denison wrote committee members.

Denison disputed the assertion that the strict anti-bribery law hurts U.S. trade. "The facts show that U.S. exports increased in each of the years following the passage of this act," he noted.

"BY CHANGING the current law's requirement that corporations keep accurate records in reasonable detail of payments of corporate funds, the bill would make it difficult to trace the use of slush funds to pay bribes," Denison said. Without proof of violations, he warned, effective prosecution would not be possible and bribery would continue.

Denison also sharply challenged the proposal to exempt certain types of bribes "such as 'grease' payments and payments that are customary in the country where they are made." Such exemptions would amount to legalizing bribery, he protested.

As for the argument that existing penalties are too harsh, Denison noted that foreign bribery scandals have been reduced since the law's enactment.

Matthew Lynch Dies, Led Tennessee Labor

Nashville, Tenn.—Matthew Lynch, president emeritus of the Tennessee AFL-CIO, died Sept. 15 of respiratory failure at St. Thomas Hospital here.

Lynch, who was 69, was president of the state labor council from 1963 until his retirement two years ago. He also had served as executive secretary of the state CIO for 10 years and as secretary of the merged AFL-CIO state body for six years.

Lynch had been a member of the Clothing & Textile Workers since 1929. He served the union as an organizer during the 1930s and '40s.

Survivors include his wife, Maude, and five children.

Sex-Segregated Jobs

Panel Finds Wide Gap In Pay of Men, Women

A federal advisory panel reported that "widespread" disparity in wages paid men and women for performing comparable work persists in the United States and said the concept of comparable worth—equal pay for jobs of equal value—"merits consideration" as one possible solution to the problem.

Job segregation is more pronounced by sex than by race or ethnicity in today's labor market and is "an important source of wage differentials," the National Research Council said in a three-year study conducted for the Equal Employment Opportunity Commission. The EEOC had sought its advice on how to handle a growing number of complaints by women who were paid less for comparably valued jobs.

THE NATIONAL Research Council, an arm of the National Academy of Sciences, attributed much of the earnings gap between men and women workers to the persistent placement of women in certain occupational classifications that provide little or no room for advancement. The problem is highly complex, fraught with social and economic implications, the panel stressed, and not capable of quick solution by any specific remedy.

Despite a heavy influx of women into the job market over the past 20 years, "the work women do is paid less, and the more an occupation is dominated by women the less it pays," the council found. Gus Tyler, assistant president of the Ladies' Garment Workers Union, served on the study committee.

Ann Miller, a University of Pennsylvania sociology professor and head of the committee, observed that women in the early 1960s who worked the whole year at full-time jobs earned less than 60 percent of what men did, "and that is still true today."

THE REPORT emphasized that although some women balance family demands by choosing typically low-paying jobs that allow easy movement in and out of the labor market, the predominance of women in low-paying jobs "also results from the exclusionary practices of employers and from the systematic underpayment of jobs held mainly by women." The study backed up its charge that women are systematically underpaid when compared to men with three types of evidence:

- When jobs held mainly by women are compared with those held mainly by men and factors such as education, experience and skill are equal, differences in average pay persist.

- Past discriminatory practices, such as paying women and minorities less for doing the same job as white men, have been incorporated into wage structures and continue to operate even in the face of conscious attempts to avoid discrimination.

- Within firms that use job evaluation as an aid in setting wages, women's jobs are paid less on the average than men's jobs with the same rating.

THE STUDY GROUP pointed out that the discrimination may not be intentional on the part of employers. Discrimination, as the term is used in the report, does not imply intent but refers only to outcome, it said.

The ILG's Tyler, in a supplementary statement endorsed by San Francisco attorney Mary C. Dunlap, said that he backed the major thrust of the report but noted that it "does not offer an adequate strategy to cope with a continuing inequity."

DESCRIBING THE situation as "the ghettoization of women in the economy," Tyler suggested that the minimum wage be indexed at around 60 percent of the average manufacturing wage as one means of pursuing greater wage equity.

"Such a minimum wage should apply to all workers, regardless of race, sex, or age," he said. "If certain workers deserve more because they perform better, they should be paid more by lifting them above the minimum and not by paying others less by depressing the minimum for the weakest categories of workers."

Other ways of achieving greater equity, he suggested, include stricter regulation of imports and the introduction of a "social wage" to supplement the traditional wage for items such as rent, food stamps, and health care.

The AFL-CIO has long stressed that a good union contract is not only the most effective guarantee against exploitation but also the basis upon which true equality can be built in the labor market. Union women working under collective bargaining contracts generally earn up to 25 percent more than non-union women, government statistics show.

Washington State Bias Cited On Women's Pay Inequities

The State, County & Municipal Employees filed sex discrimination charges against the state of Washington, accusing it of systematically underpaying its female workers.

The union, which represents thousands of women employed by the state, filed the charges with the U.S. Equal Employment Opportunity Commission on behalf of nine individual female plaintiffs. The charges were filed under Title VII of the 1964 Civil Rights Act forbidding discrimination in compensation on the basis of sex.

IN 1974, AFSCME's Washington affiliate pressed the state to commission an independent job evaluation study on the wage gap between state employees in predominantly female and predominantly male job classifications. Results of the study showed that male employees received an average 22-35 percent more pay than women in job classes requiring the same levels of skill, effort, and responsibility.

Similar studies in 1976, 1978, and 1980 produced almost identical findings. The Washington pay discrepancies were cited in a recently published National Academy of Sciences report prepared for the EEOC showing widespread wage discrimination based on sex in many parts of the United States.

"All the job evaluation studies done by the state since 1974 have shown the same results—that the state of Washington is an equal opportunity offender," AFSCME General Counsel Winn Newman asserted. Newman said the union is seeking both equity and equality for women represented by AFSCME who work in job classifications traditionally undervalued and underpaid.

AFSCME President Jerry Wurf said the state has admitted to its discriminatory practices, "yet successive administrations have chosen to do nothing to remedy this blatant situation. AFSCME members have waited long enough—now we're seeking legal relief."

BESIDES ITS EEOC complaint against Washington State, the union recently filed sex discrimination charges on the basis of pay equity against the cities of San Jose and Los Angeles and against the state of Connecticut. Wurf said the union intends to file additional charges and lawsuits on similar grounds in other states and cities.

Last July, AFSCME members in San Jose successfully struck over the pay equity issue and won a $1.4-million pay adjustment for hundreds of city workers in predominantly female job classes, in addition to an overall wage increase for all 2,000 city employees.

Kirkland Scores Irresponsible Policies

The following is excerpted from an interview conducted with AFL-CIO President Lane Kirkland in his office Sept. 9, 1981. Reporters present were Gisela Bolte, Time; Howard Fineman, Newsweek; Jeffrey L. Sheler, U. S. News & World Report; Peter Gall, Business Week; Sid Levy, Kiplinger; Irving R. Levine, NBC-TV News; Kathleen McCleery, WETA-TV; Deborah Potter, CBS-TV News, and Barry Serafin, ABC-TV News.



REPORTER: The budget's already been cut once for fiscal year '82; now, there's talk of finding another $10 to $15 billion and more to cut. A lot of that might come further out of the social programs. Are you ready at this point to say, "Let's make some more specific cuts here on the military side of the equation?"

KIRKLAND: I think that the defense statement we adopted at the Chicago meeting answers your question. We said in February that we had always been proponents of a strong defense, that a strong defense was necessary for the protection of the values that we cherish. We noted that the Constitution imposes upon the government the responsibility to provide for the general welfare *and* for the common defense, and that we did not believe there ought to be trade-offs.

We don't oppose increased expenditures, but we think that the plan should come before the money. All we've seen thus far is talk about the money, but where's the plan? There are large areas of critical defense expenditures where no decisions have been made—the MX, the B-1, the size of the Navy, the configuration of ships—and no decision has been made in these critical areas. But they're making budget commitments on how much money the Defense Dept. gets.

I think that's absurd, and it's particularly absurd and very harmful when accompanied by a tax bill that, I believe, represents the most irresponsible fiscal act in our times.

REPORTER: Do you expect that the AFL-CIO will get into the trenches, so to speak, lobbying for or against particular defense items once you look at whatever plan comes up to the Hill?

KIRKLAND: I want to see the plan before I make that judgment. There's *nothing* that goes up on the Hill that we disavow any interest in.

REPORTER: What kind of position do you take on the second round of budget cuts in the social areas?

KIRKLAND: Well, we didn't like the first round. I assure you we won't like the second round.

REPORTER: When do you think you'll have a better chance of getting Congress on your side?

KIRKLAND: I think we would have a better chance because I think there are beginning to be strong misgivings in the country about the prudence of the President's entire economic package. There are conflicts of philosophy even among the Administration's supporters, the advocates of the so-called Kemp-Roth and Laffer Curve approach, who always argue that it wasn't necessary to cut the budget at all, but these tax cuts would release so much energy and dynamism that you would produce the revenues needed to pay for all these things.

Then there are the fiscal purists who believe that the balanced budget is the cure for all ills in society.

Then there's a third group, the monetary cranks that believe it's all a matter of M-1 and M-2.

They're at war with each other, whether they acknowledge it or not. They seem to have glossed over the fact that all of these doctrines are internally inconsistent and pretend they are parts of a well thought-out whole. Well, it's like putting north and south pole magnets together: They can't be made to fit.

Secondly, the Democrats in the Congress have had their little experiment in me-tooism. They've tried to find a market for their souls, unsuccessfully, and tried to compete with the Republicans in who could cut the budget the most, the best, or cut taxes the most, the best. They lost their souls and they lost the vote as well.

Those who tried to find holding ground and fighting ground on hopeless amendments like the Obey-Udall alternative on taxes got only 40 or 50 fewer votes, and I think when they come back, they might have decided it's about time they began to present a responsible opposition to the kind of madness that's afoot in this town.

REPORTER: How would you describe your feeling about the Reagan Administration? If antagonistic is not the word, what word would you use?

KIRKLAND: I have met with a great many of the people in the Reagan Administration over practical questions and practical issues, and I have no feeling of venom.

I long since stopped either falling in love or acquiring hate or vindictiveness about people in political life. If you fall in love, they'll break your heart every time. I try to look at it as dispassionately as possible, and I think I do.

I'm concerned about substance, not about style, and our cold appraisal of the substance is that it's damaging to the interests of the country, that it represents a diversion of the energy and resources of the country from the path that is going to take it on to future progress and strength, and it's going to be a terrible waste of time and a terrible waste of energy and resources that we're going to have to make up.

The farther we fall back, the more we're going to have to make up. There's a terrible need in this country for an affirmative, benign use of the instrument of government in all sorts of ways. It can never be adequately left to private initiative. Our transportation system in this country, aside from the airlines, is in horrible shape. It's not going to be restored by private initiative; it's going to take public support. Hell, it's only there because of public support. The whole infrastructure of this country is eroding—rotting away—and there has to be a role, a benign role, for government.

We do not accept, and we think it's a terribly harmful idea to base a philosophy of government on and to appeal to the people on the premise that government is a malignant and destructive force. It can be, but there are benign uses of it that we cannot afford to dismantle in a modern, industrial country.

REPORTER: Do you think that the Reagan Administration's professed goal of balancing the budget in 1984 is a futile exercise, per se?

KIRKLAND: The way they're going about it, yes. The downside risk that you will have the biggest deficit in the history of this country by then is far more likely than the upside possibility of a balanced budget.

I think the budget will be balanced when you return this country to something approaching full employment. You cannot balance a budget on the basis of heavy unemployment. That philosophy was not particularly a product of liberal or radical thinking; it was first put forward, as I recall, by George Shultz with a so-called full-employment budget. His concept was that the budget should be balanced at full employment, the budget would show a surplus, and that's the only way it's ever going to be balanced in this country.

The source of the imbalance is the 7.2 percent unemployment. For every 1 percent unemployment, there's a $25 to $30 billion swing, as far as the budget's concerned, and as long as you follow the doctrine of monetarism, which really means you cause further unemployment, you reduce economic activity. That's the whole purpose of monetarism. The bottom line of that theory is that the country has to go through a wringer in order to lower economic activity in the hope of finding some base where everything is so bad that the CPI is zero, because there's no market.

I think that's going to be ruinuous, and it's going to cause deeper and deeper deficits as long as it's rigidly pursued.

My only hope—and we'd like to play a role in a constructive approach to the problems of this country—my only hope is that in a year or two, they'll begin to see that this plan won't work, and they'll start looking around for alternatives. Then we'd be available for advice and counsel and cooperation.

REPORTER: What are the odds you give to the possibility of the Congress being less conservative after 1982?

KIRKLAND: I have great faith in the ultimate wisdom of the American people. I think they'll do the right thing. I think there will be a turnover in the Congress. I believe the normal resurgence during a mid-term election will take place.

A lot of things depend on events. There isn't an administration in the history of this country, despite all of its plans and strategems, that hasn't ultimately been overtaken by events and forced to deal with events that weren't on the planning boards. It happened to Carter; it happened to Lyndon Johnson; it happened to Nixon.

REPORTER: There could be a possibility that this Administration is just lucky. In 1982, with the economy being in a very sluggish state now, it may take off just before the election.

KIRKLAND: Not only might it be lucky, it might even become wise. The path to wisdom is not very murky, it seems to me. I believe that this country is, inherently, exceedingly strong; that it's being held back; it's being repressed; it's being disabled by a policy that's deeply harmful and deeply misguided. I believe that if you could cut interest rates, for example, this country would boom, and I also believe that in that process, inflation would go down.

Consider what this policy has done. In allegedly building a base for future advances, monetary policies have destroyed more houses than we did in Hiroshima and Nagasaki combined, not to mention Dresden and Tokyo, during the war. And if that's a wise, prudent and sound policy, then I'm crazy.

They talk about the supply of money being the crucial thing: at all costs, you've got to get it down, even if you destroy every unbuilt house in this country, every job in this country, all production in this country.

Even if you accept the old classical theory, I always thought that the equation, even in monetary terms, was one of achieving a balance between the supply of money and the supply of goods. If, in the process of curtailing the supply of money, you destroy the goods, I think the only answer is ruin. And they're killing the goods. They're killing housing. They're killing the automotive industry. On those two industries, I think one out of every three jobs ultimately depends. I can't see the sanity of it.

REPORTER: Do you think that there is any chance that the Federal Reserve would come around and, you know, undo its own policy?

KIRKLAND: I would hate to bet the future of this country on the future course of the Federal Reserve Board. I think the fact that it exists in its present form is a great mistake and is a built-in weakness. And I think if you elect the right kind of Congress, it ought to be possible to re-examine the whole structure of the Federal Reserve System and the idea of putting such vast power over the future of this country and the present of this country in the hands of a group of monomaniacs who are not responsible to anybody. Then to say, do we look to this little group for hope. The only thing I could look to is the dismantling of that little group and making it more responsive to a sound national policy.

Preparations For Rally Hit Fever Pitch

(Continued from Page 1)

ILG Union Label Chorus, which will lead a songfest near the Washington Monument. The Teachers have found a place to store 10,000 helium balloons.

Work tables have overflowed into the halls and, when there is a need for extra hands, any passer-by is subject to being pressed into service.

ONE FLOOR ABOVE, in the AFL-CIO Dept. of Information, press, radio and television queries from across the country are being fielded. Publications and public relations specialists from the staffs of affiliated unions are drafted into Solidarity Day assignments.

The Communications Workers have purple CWA blazers for their members who are serving as Solidarity Day marshals. Some of them will be at the Washington railroad station at 6:20 a.m. when a Florida contingent is scheduled to arrive.

The first special train is due in from Boston at 7:25 a.m., carrying mostly members of the Electrical, Radio & Machine Workers and the Machinists.

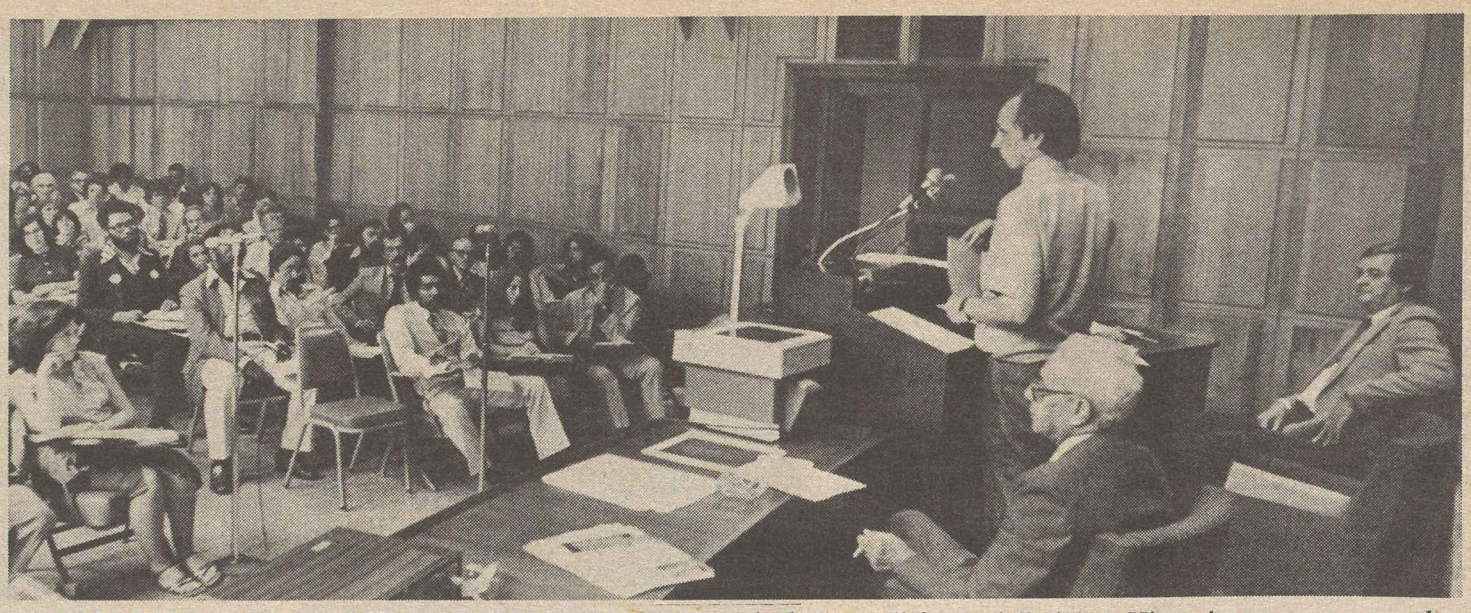
OTHER SPECIAL trains will be arriving throughout the morning, including four from Philadelphia. The railroad station is on the subway route to the rally area, and the AFL-CIO has in effect bought the subway system for the day. All rides will be free.

Every so often, a caller to the Solidarity Day office wants to know what the plans are in the event of rain.

The answer is invariably the same.

"The Solidarity Day rain date," followed by a pause, "is Sept. 19."

And then a chuckle.



SOLIDARITY DAY COORDINATORS from organizations joining with labor in the Sept. 19 demonstration are briefed on transportation details for the day of the rally by AFL-CIO Representative Dick Wilson. The coordinators are from the broad range of groups supporting the march including religious, civil rights, Hispanic, consumer, youth, senior citizens, education and handicapped organizations. With Wilson are, foreground, Arnold Aronson, secretary of the Leadership Conference on Civil Rights, and John Perkins, AFL-CIO Solidarity Day coordinator.

Rockwell Aerospace Contract Ratified by 4 UAW Locals

Los Angeles—Auto Workers at four Rockwell International aerospace plants have approved a new three-year agreement providing substantial wage, pension and fringe benefit improvements.

The contract, ratified by an 83 percent favorable vote, covers some 10,000 UAW members here and 3,000 more at Rockwell's aerospace facilities in Tulsa, Okla.; Columbus, Ohio, and Santa Susana, Calif.

WORKERS WILL get a 7 percent wage hike, retroactive to July 4, with increases of 3 percent in the second and third years. Quarterly cost-of-living adjustment formulas will be maintained with no diversion of COLA to pay for other benefits.

Improvements were scored in shift premium pay and the minimum amounts of promotion increases. Skilled workers will receive additional increases of from 15 to 25 cents an hour, and the wage progression system will be accelerated so that workers can reach the top of their pay grades more rapidly.

UAW Sec.-Treas. Raymond Majerus, who is also director of the aerospace division, said the union is "particularly proud" of the pension provisions. That part of the agreement will run for four years and increase pension benefits by 33 percent by the final year.

Workers covered by the new contract who retired after July 1, 1981, or during the term of the pension agreement, will see their basic benefits rise from a previous $12 per month per year of credited service to $16 per month in the final year of the pact.

BENEFITS FOR those already retired will increase by $1.50 per month per year by the end of the agreement, and the supplemental allowance for workers who retire between 60 and 62 with at least 20 years of service was stepped up from $325 to $375 per month, payable in addition to basic benefits.

Health care improvements include increased major medical coverage, upgraded dental care coverage, including orthodonture, vision care, hearing aid coverage and increased payments for diagnostic tests and hospital care.

Other improvements are two additional paid holidays and strengthening of the layoff benefit plan.

Majerus also pointed to the establishment of a joint union-management committee to develop a child care plan for all shifts and a written commitment from Rockwell to provide "a workplace free from sexual harassment."

Controllers Ask Bargaining, Challenge Decertification Bid

The Professional Air Traffic Controllers Organization pressed the Administration to return to the bargaining table as attorneys for the union appealed a government recommendation that it be decertified as the controllers' representative.

The union's request to resume negotiations came during a hearing on its appeal to the Federal Labor Relations Authority to reverse an FLRA administrative law judge's recommendation for decertification.

PATCO LAWYER Richard Leighton asked the three-member authority to issue an interim order requiring the union and the Federal Aviation Administration to resume talks by Sept. 23, with any unresolved issues sent to arbitration if no agreement is reached by Oct. 23. The decertification action would be deferred until after an arbitrator's decision, at which time the entire matter would be re-examined by the authority.

Lawyers for both the FAA and the authority opposed the union proposal to require a new round of talks. The authority has functions similar to those of the National Labor Relations Board in the private sector.

President Kenneth Blaylock of the Government Employees, who also heads the AFL-CIO Public Employee Dept., appeared on PATCO's behalf, along with AFL-CIO Special Counsel Laurence Gold.

BLAYLOCK, urging flexibility and discretion in the case, told authority members that "it is necessary whatever you do to make the collective bargaining process work." Both he and Gold asked the authority to find suitable alternatives to revoking PATCO's certification as bargaining agent for the air traffic controllers.

Blaylock called decertification a "temporary" solution, and warned that unrest is growing among other federal workers. He said the FAA, in seeking decertification, wants "a gallon of blood and punitive action" against the union, but warned that eliminating one side will not resolve the labor dispute.

"I don't think PATCO is on trial," Blaylock declared. "The whole federal labor relations system is on trial."

MEANWHILE, another large contribution to the AFL-CIO's PATCO Family Fund—a $100,000 check from the Auto Workers—pushed the total over the $400,000 mark, and checks drawn on the fund to aid families of striking air traffic controllers who are in pressing financial need began going out in the mail this week.

UAW President Douglas A. Fraser said the union's executive board voted to make the contribution at a meeting in Detroit. The money will come from the UAW strike fund.

The Steelworkers, Communications Workers, and other affiliates already have made large contributions to the Family Fund, which is administered by Msgr. George G. Higgins, former director of the U.S. Catholic Conference's Social Action Dept.

Workers, Allies Swell Ranks for Solidarity Day

(Continued from Page 1)

AFL-CIO regional meetings held last spring, a "strong recurring theme" was the desire of local union participants for a means of "venting their feelings in as dramatic a way as possible."

Mass demonstrations are part of labor's history, Kirkland noted, although the custom has "gotten a little rusty in recent years and it seems to me wholesome to revive that facility."

AT THE SAME time, he continued, "we all recognize that the day after Solidarity Day, the budget will still have been cut, these programs will still be on their way to being dismantled. Perhaps we will have slowed down that process a bit, but we won't change the balance and the Congress profoundly until at least the next election."

Addressing the Washington Press Club on Sept. 15, Donahue said the issues that are the focus of labor's Solidarity Day protest represent "a social program that the vast majority of Americans have accepted" and don't want discarded.

Donahue stressed the importance of Solidarity Day in launching the grass-roots campaign that labor and its allies agree is the essential follow-up.

It's "more than a one-shot protest," he insisted. And while many of the non-labor organizations have worked with the AFL CIO in the past on specific issues, the extent of involvement has gone beyond national headquarters cooperation, involving local and state groups as never before.

The AFL-CIO's Solidarity Day newsletter reflected this theme in its Sept. 16 issue: "When the sun goes down on Solidarity Day, the serious business will just be getting started."



CITY COUNCIL RESOLUTION declaring Sept. 19 to be Solidarity Day in Washington, D.C., is presented to AFL-CIO Sec.-Treas. Thomas R. Donahue by Councilman David Clark, second from right, who sponsored the resolution that was adopted unanimously. They are joined by Rev. Ernest Gibson, left, president of the Washington Council of Churches; Robert Petersen, president of the Greater Washington AFL-CIO, and Arrington Dixon, at right, the chairman of the D.C. City Council.

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Correspondence about address corrections should be sent with attached mailing label to: Subscriptions, Room 209, 815 16th Street, N.W., Washington, D.C. 20006.

Solidarity Day!

'You Are Not Alone...'

AFL-CIO News

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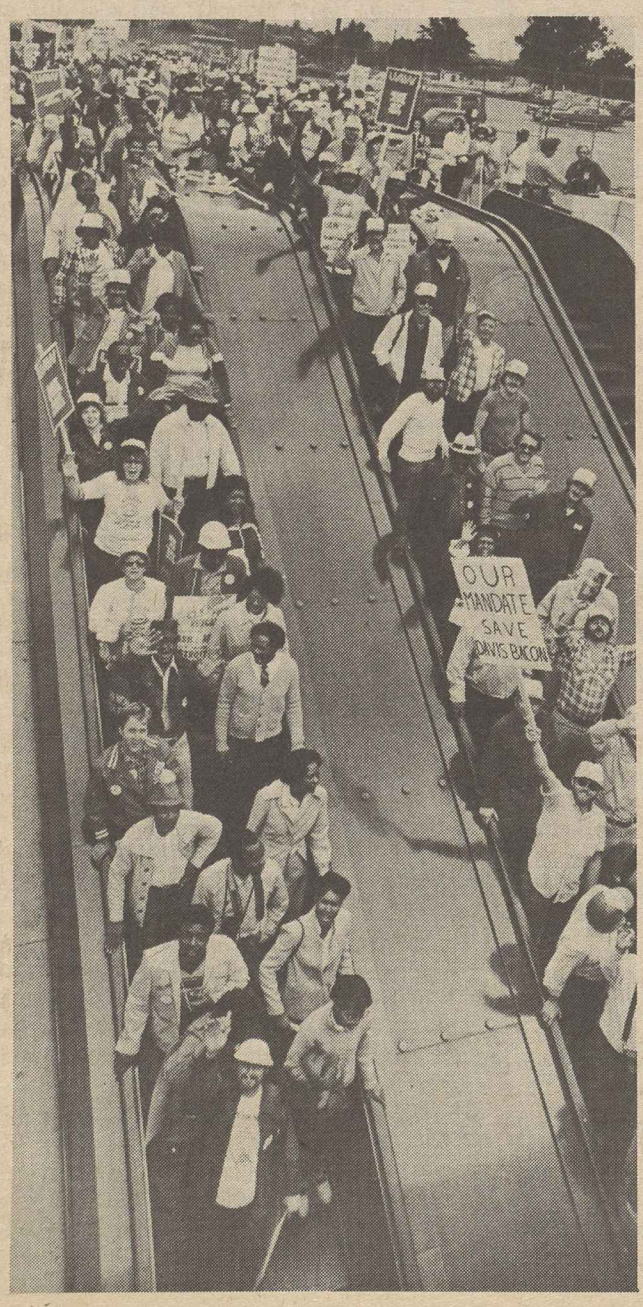
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Massive Solidarity Day Protest Gives Clear Message to Reagan

400,000 Hit Cutbacks in Programs



By David L. Perlman

Solidarity Day brought hundreds of thousands of union members to Washington for a demonstration that destroyed the myth of a Reagan Administration mandate, sent a powerful message to Congress, and left an indelible impression on a city that normally takes rallies and demonstrations in easy stride.

By mid-afternoon on Sept. 19, the official count from the mayor's office had passed the 400,000 mark, including tens of thousands of participants from the coalition of organizations that responded to the AFL-CIO's call.

FROM THE SPEAKERS' platform at the Capitol, AFL-CIO President Lane Kirkland called out to the vast assemblage that stretched to the shadow of the Washington Monument:

"Look around you. You are not alone. Behold your numbers, as far as the eye can see."

They looked with pride and awe, these men and women who had risen before dawn, for the most part, to come to their nation's capital in thousands of chartered buses, in special trains, and in tens of thousands of car pools and van pools.

From the platform, the leaders of their organizations spoke with fervor of the grievances that had summoned such a huge cross-section of mainstream America.

THEY SPOKE of the erosion of occupational health standards and of cuts in job safety enforcement. They spoke of the abandonment of compassion for the needy and the aged.

They protested the undermining of prevailing wage laws and cuts in school lunches. They challenged the wisdom of ending employment and training programs, slashing funds for libraries and starving public services in order to give new tax incentives to an already hugely profitable oil industry.

"For shame," National Council of Senior Citizens President Jacob Clayman rebuked an Administration that wants Congress to break the social security compact made with America's workers and those already retired. "For shame," his voice rang out with sternness.

BLACK AND WHITE speakers alike assailed the turning away from equal opportunity goals, and the cadence and songs of the historic 1963 civil rights march rang out again in the nation's capital.

In capsule form, the issues that had spurred the demonstration were reflected in the banners and placards carried along the Solidarity Day parade route, down historic Constitution Ave. toward the Capitol.

There were slogans on T-shirts and jackets as well, and even on some of the balloons that floated over the Washington Monument grounds as markers for organization assembly points.

THE CENTRAL theme was symbolized by the posters carried by the leaders of the participating groups as they marched side by side. "We Are One," they proclaimed.

And the Food & Commercial Workers adopted as their dominant slogan an affirmation that goes to the genesis of Solidarity Day. "My Union Speaks for Me," it proclaimed.

That's what President Reagan questioned last February when the AFL-CIO Executive Council greeted his economic program as unfair and unworkable and put forth an alternative program—as Reagan had challenged everyone to do.

Labor's leaders didn't really represent their membership on such issues, the President suggested to a gathering of editors and publishers at the time. The Administration, he insisted, was closer attuned to labor's rank-and-file.

SO LABOR'S rank-and-file came to Washington, to speak for themselves.

They came from steel mills and textile mills, from food markets and post offices, construction sites and government offices, schools and auto assembly lines, railroad yards and wharfs, everywhere.

They were the builders of America and the people who make it run. They collect its garbage and build its roads, teach its children and care for its sick.

They came in all shades of colors and ethnic background, and they spoke with Hispanic lilt, with southern softness, New England twang and the vowels of the New York waterfront.

IN THE LINE of march were the proud elderly, students concerned with their country's future, an array of women's groups carrying ERA posters, and the veterans of a generation of civil rights marches from the NAACP, Urban League and a multitude of others.

"If you do not embrace the proposition that this President has a mandate to destroy the programs that feed the roots of a decent society." Lane Kirkland told them, "look about you. You are not alone."

It was a miracle of organization, if miracle can be defined in terms of painstaking preparation and execution.

And it was a joyous occasion.

THE AFL-CIO had bought up the subway system for the day, eliminating the fare cards so confusing to newcomers, and had lined up a ring of parking facilities accessible to Washington's new subway system.

Transportation marshals, mostly from the Communications Workers, were out early, directing traffic. At some locations, local church groups had coffee urns on hand.

Follow Dave Winckel of Local 405 of the Electrical, Radio & Machine Workers, who brought five others with him in his van on the long trip from Cedar Rapids, Ia.

Along with other Solidarity Day groups that board at each stop, the Iowans are greeted with applause and people come over to introduce themselves. At the subway stop serving Washington's railroad station, a special train from Philadelphia has unloaded more than 1,000 AFSCME members, and the subway cars are quickly filled to standing room capacity. Someone

(Continued on Page 16)

Historic Rally Makes Its Mark on Washington

By Susan Dunlop

By dawn on Solidarity Day, the people had already started to gather quietly on the long, green slopes that stretch out from the Washington Monument. Organizers and marshals from their unions had been there before them, putting up banners and balloons in the staging area, getting box lunches, signs, buttons and badges ready for their members.

On the highways around Washington, buses and cars were converging on the huge fringe parking areas around the city, many of them with banners proclaiming Solidarity Day.

"WE DROVE ALL night in two cars and a bus to get here," Furniture Workers from Sumter, S.C., said. That was the story everywhere as union members and their allies, whose numbers pushed toward half a million, filled the city.

By most estimates, Solidarity Day was the largest exercise of the First Amendment right of the people to peaceably assemble and petition their government for redress of grievances the nation's capital has ever seen.

"I think this is history," a New Haven construction worker told a friend. Both members of the International Brotherhood of Electrical Workers, they had come on one of the extra trains that Amtrak added to handle the demand created by the demonstrators. They agreed, as they watched more IBEW members filling the park near the White House that was their assembly area, that most of the people around them, like themselves, had never been to a demonstration before. "But this is different. Reagan's out to bust the unions."

THE GROUNDS and parks around the Washington Monument, one of the city's most famous sites, stretch west to the Lincoln Memorial, east to the Capitol, south to the Jefferson Memorial, and north to the White House.

By 8 a.m., the crowds that were gathering at the base of the monument began to spread. It was clear that even the early arrivals equaled in number some entire demonstrations of the past.

In the crisp, bright morning, the 50 flags that surround the Washington Monument snapped briskly in the wind. Overhead, red, white, yellow and blue balloons and blimps signalled to marchers where to find their unions.

UNION BANNERS, signs and slogans began to appear everywhere. The green of the parklands was turning every color of the rainbow, as thousands of marchers found their staging areas.

Service Employees' members unloaded hundreds of boxes of plastic trash bags, donated by their union, for the massive clean-up to follow. They dubbed them, affectionately, "Sweeneybags" in honor of their president, John Sweeney.

Machinists, Auto Workers, Service Employees and most other unions began arriving in matching jackets, caps, T-shirts, some supplied by their unions, but most purchased by the members themselves to show their solidarity as a delegation.

The Lynchburg, Va., NAACP wore blue sashes, UFCW members had grocers' aprons and a good supply of stickers that announced, "My Union Speaks for Me." A big demand for the stickers developed among other demonstrators, and they were shared.

A MOLDERS' member from Cincinnati had covered an entire shirt with "I'm Proud to Be Union" buttons. Exchanging buttons, stickers and souvenirs quickly turned into a major sport. It was also a way to get acquainted.

Baseball caps were the headgear of the day, nylon coaches' jackets and union T-shirts were almost the uniform of the day. The women of a Ladies' Garment Workers retirees club from New York had sewn

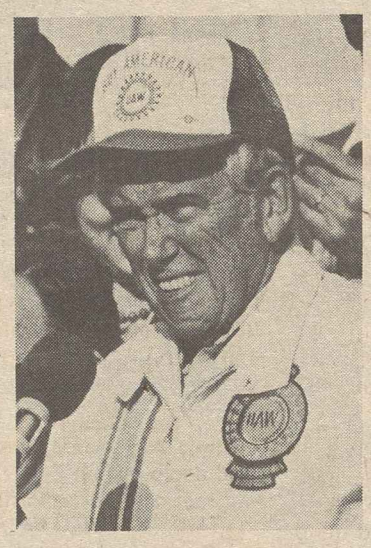
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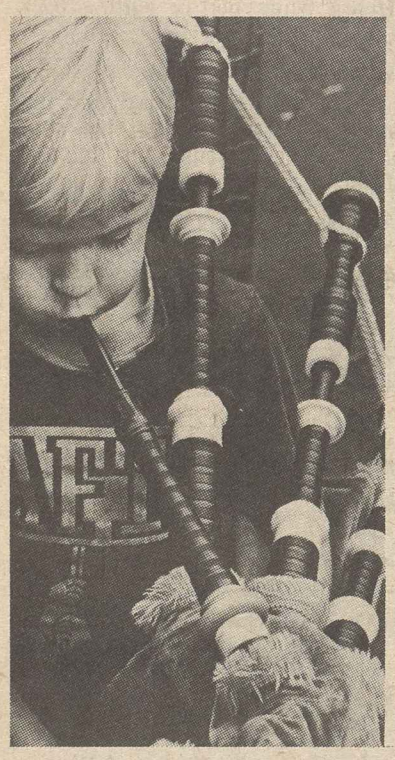

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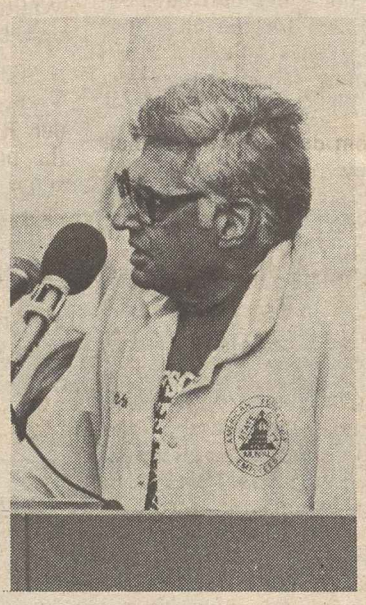

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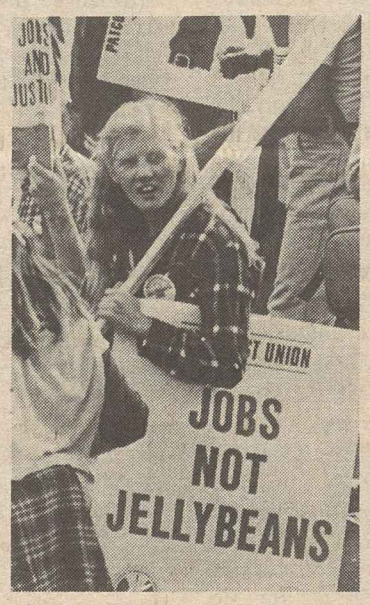

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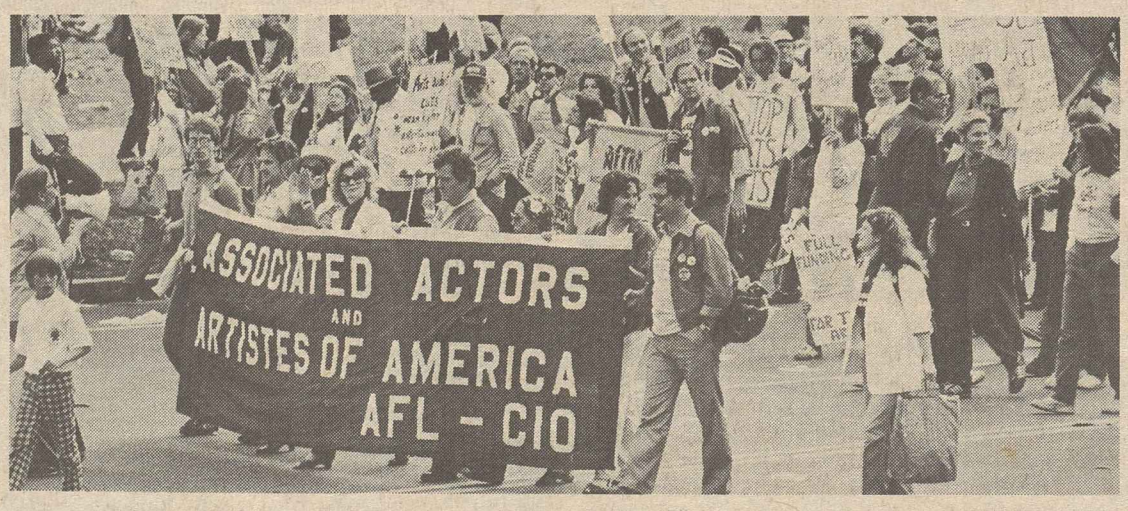




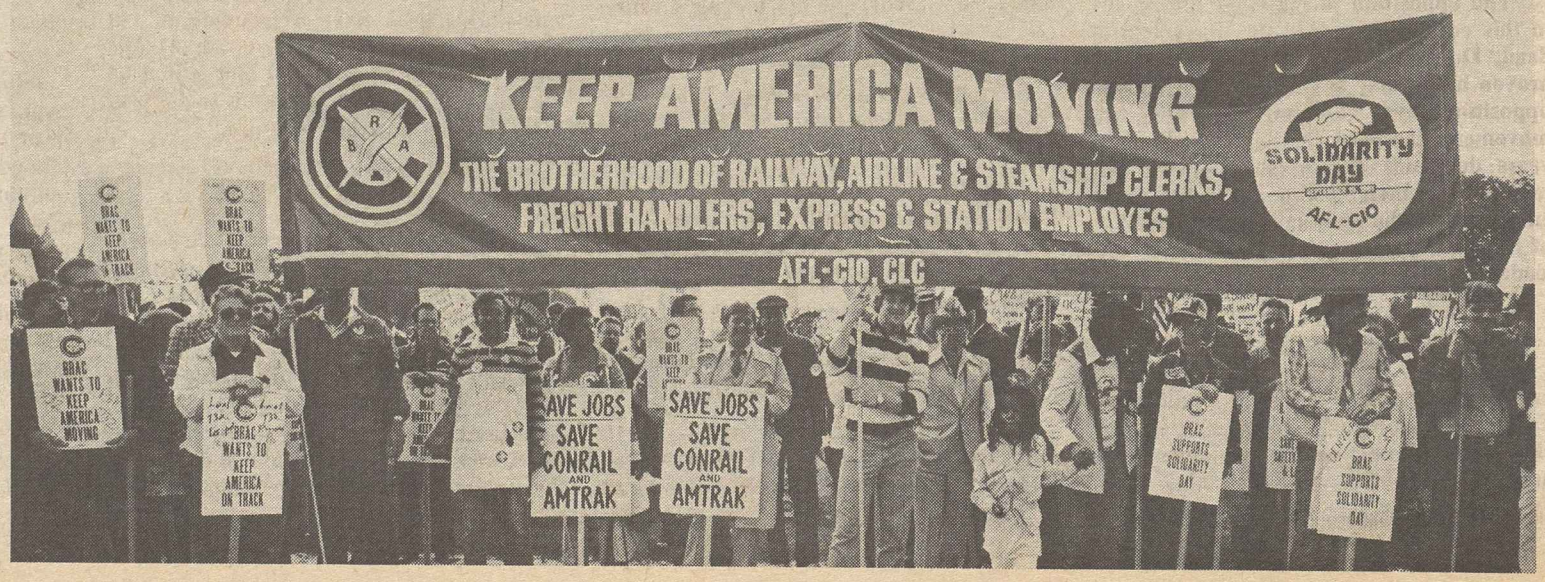

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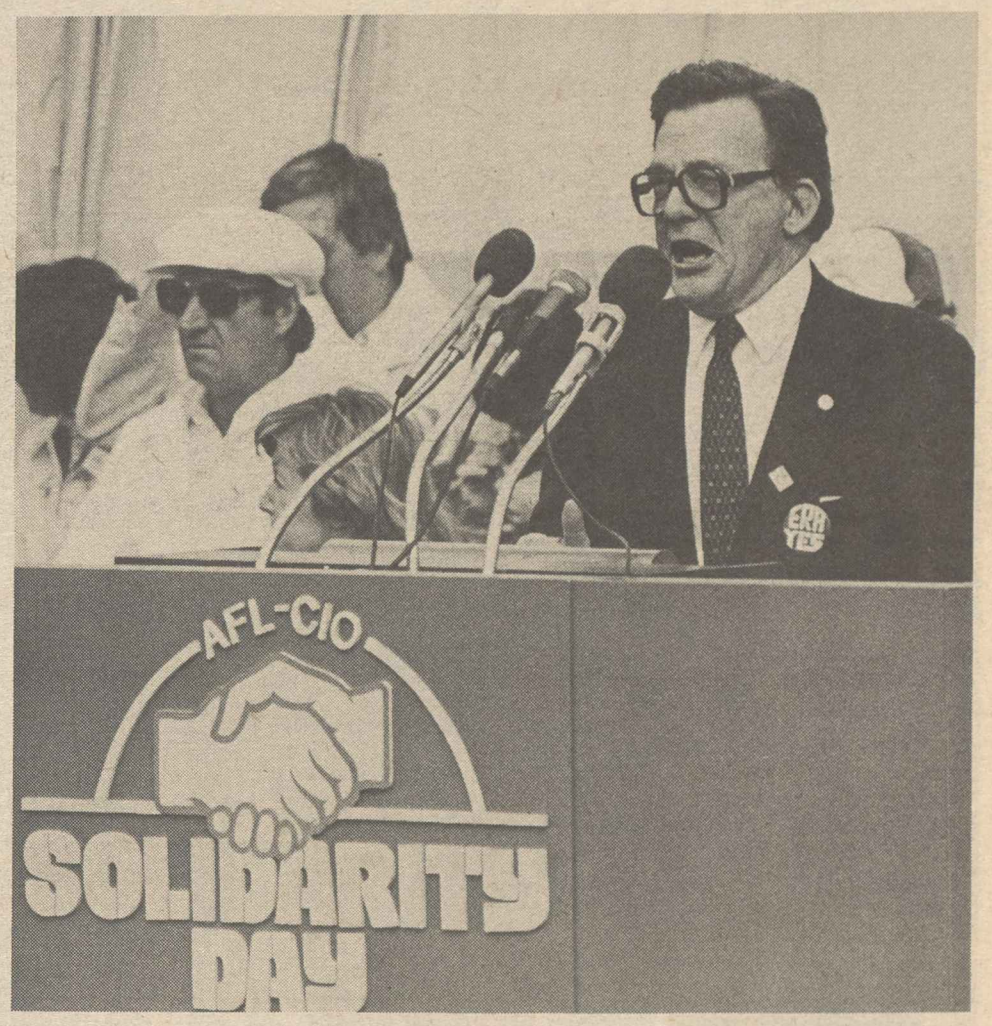

ASSOCIATED ACTORS
AND
ARTISTES OF AMERICA
AFL - CIO


DIGNITY
FOR
RETIREES


KEEP AMERICA MOVING
THE BROTHERHOOD OF RAILWAY, AIRLINE & STEAMSHIP CLERKS,
FREIGHT HANDLERS, EXPRESS & STATION EMPLOYES
AFL-CIO, CLC
SOLIDARITY DAY
AFL-CIO
BRAC WANTS TO KEEP AMERICA MOVING
SAVE JOBS
SAVE CONRAIL AND AMTRAK
BRAC SUPPORTS SOLIDARITY DAY

'Unity' Sets Speakers' Central Theme

Coalition Leaders Stress Accord on Critical Issues



By James M. Shevis

The massive Solidarity Day turnout of Americans of all descriptions protesting the Administration's economic policies and cutbacks in social programs spoke for itself, really: "In unity there is strength and since we must be strong, we must also be one."

Repeatedly, this was the message that reverberated across the National Mall from the speakers' stand near the West Front of the U.S. Capitol.

"BEHOLD YOUR numbers, as far as the eye can see," AFL-CIO President Lane Kirkland urged in the keynote of a speaking program televised to the nation by the Public Broadcasting System. "Look at your brothers still marching—in solidarity—down the historic ways of their capital city.

"If you believe that governments are raised by the people, not as their enemies but as their instruments, to promote the general welfare, look about you. You are not alone."

Steelworkers President Lloyd McBride, as overwhelmed as anyone else by the sheer size of the 400,000-plus crowd, raised his hands from the platform and said:

"I wish that you could see what I see. There are people wall to wall from here to the Monument. When we go back home and carry out the necessary work to undo what's being done to us, we will have completed the job."

WHAT WAS CLEAR in all the Solidarity Day speeches was that workers and their traditional allies were united as perhaps never before in post-World War II times in fighting to preserve the gains built over the past 50 years by organized labor, civil rights, consumer and other groups.

Federation Sec.-Treas. Thomas R. Donahue, the master of ceremonies, recalled the words of A. Philip Randolph at the 1963 civil rights March on Washington: "We here today are only the first wave."

"He was right," Donahue said. "The second wave has now arrived. We are here today, and our voice shall be heard. Today is our day—Solidarity Day. Let the nation know that that coalition of religious, environmental, civil rights, consumer, women's, labor, and other like-minded groups—a coalition that has achieved tremendous social and economic gains for all Americans—has joined together again."

SOME 200 NATIONAL organizations banded together to make Solidarity Day a success. Their leaders approved 14 critical domestic issues that Donahue said "unite us all and are the focus of this demonstration." The issues embrace civil rights, education, energy, the environment, fair trade, health and safety in the workplace, housing, jobs, justice, social security, fair taxes, lower interest rates, voting rights, and women's rights.

The speakers touched on a variety of themes, but the central message was that the time had come for the people to mount an offensive against additional government takeways from the workers, consumers, the elderly, the handicapped and the needy while making the rich even wealthier. On this point, there was unanimity and commitment from leaders of both union and non-union groups. Joyce Miller, president of the Coalition of Labor Union Women and an AFL-CIO vice president, put it in unmistakable terms:

"We're working people. We built this country, and, damn it, we'll not let anyone tear it apart."

CORETTA SCOTT KING, whose husband, Martin Luther King, Jr., shook the nation's conscience with his stirring "I Have a Dream" speech before the crowd Randolph assembled 18 years ago, warned that Americans "will not stand idly by while tight-money policies destroy the dream of home ownership in America. We refuse to accept massive unemployment, now at record levels for our young people, while a privileged few reap the shameful harvest of tax breaks only for the wealthy."

Women, who make up the majority of the nation's poor and feel the impact of the Administration's policies in many ways, played a prominent role in Solidarity Day.

Eleanor Smeal, president of the National Organization for Women, observed that polls show women turning against President Reagan and the Republican Party because "they have turned their backs on us." She vowed that women would not give up their gains of the past 15 years, but would go on to new victories starting with ratification of the Equal Rights Amendment in 1982.

SMEAL POINTED out that it is "no coincidence" that the states that have yet to ratify the ERA are for the most part the same ones that have so-called right-to-work laws banning union shop agreements.

"Some profit from denying women their rights just as they profit from denying trade unionists, blacks, and ethnic minorities their rights," she said. "Remember, if there were no profit to be gained, you can bet the ERA would already be the law of the land."

Absent from the speakers' platform were elected officials and politicians. They were invited to listen to the voices of the workers and their leaders, as Sec.-Treas. Donahue put it, because Solidarity Day was "conceived as a day for the people to speak." A number of senators and congressmen were in the crowd, and others issued statements of support.

Favored treatment of the rich at the expense of those in need was a recurring theme of the speakers. NAACP Executive Director Benjamin L. Hooks drew resounding cheers as he lashed at those in the Administration "who wear $1,000 cowboy boots while our children don't have any shoes at all" and "$1,000 plates in the White House while they're cutting back on school lunches."

National Urban League President Vernon E. Jordan, Jr., declared that under Reaganomics "the rich get tax cuts, the poor get program cuts. Just look at some of them—social security minimum benefit, food stamps, CETA jobs and training, Medicaid, legal services, welfare, education aid, and more. . . . There's something missing in Washington today—and that is compassion."

MOST AMERICANS know the economy is in trouble, and that the times call for sacrifice and new ideas, "but we also know sacrifice has to be proportionate to resources," Jordan said.

"Congress and the Administration say to poor people: 'Give up the little you

(Continued on Page 14)

Reagan's Policies Assailed from All Sides

"President Reagan calls for the people to join him in a national renaissance. Renaissance cannot be a reversion to the past. The true renaissance is for you and me and for all the people that we represent and symbolize to come together in solidarity and through our collective voice and strength elect those men and women to public office and leadership who will lead this nation not backward but forward."

—Reese Robrahn, Director, American Coalition of Citizens with Disabilities, Inc.

* * *

"The opposition to the labor movement in this country says that the movement is dead. Do you believe it? What we have proven here today is contrary to what our opposition says. They say that what the movement has been fighting for all these years does not reflect the views of the rank-and-file membership. You have proven today that the rank-and-file membership of the labor movement is supportive of the leadership."

—William H. Wynn, president, Food & Commercial Workers.

* * *

"Ronald Reagan and his millionaire Cabinet are stretching and tearing the social fabric of our nation by denying the poor basic subsistence; by taking jobs, training and opportunity from working people; by denying the elderly the hope of financial security; by retreating on equal rights for women and minorities.

"Four past great Presidents have offered Americans a New Deal, a Fair Deal, a New Frontier, and a Great Society. What about 1981? In the first nine months of the Reagan Administration, we have a misdeal, a bad deal, a return to the old, lawless frontier and the development of a damaged society. It is a damaged society in which Ronald Reagan has shrewdly but maliciously pitted young against old, business against labor, and black against white. He has unveiled a strategy in which there are no victors, save for the most affluent."

—Tony Bonilla, president, League of United Latin American Citizens.

* * *

"We did not choose this battle. It was thrust upon us—thrust upon us by President Reagan, a President who claims to have a mandate from the people.

"Well, we are the people. And I proclaim today that if the battle must be, let it be. We will not sacrifice the laws and gains that our forefathers died for.

"I am disappointed—but not surprised—that President Reagan cleverly arranged to be out of town so he would not have to face this show of solidarity and strength. He may be out of town today, but he is going to have to eventually face up to the damage he is doing to the men, women, and children of this country who will bear the burdens of his economic programs while the rich reap its rewards."

—Sam Church Jr., president, United Mine Workers.

* * *

"President Reagan claims he has a mandate for his program. Does he have a mandate to cut social security? Does he have a mandate to cut occupational health and safety? Does he have a mandate to cut back the school lunches for children? The answer that we want to tell him is that he has no mandate to cut back on social programs of the past half century."

—Arnold Aronson, secretary, Leadership Conference on Civil Rights.

* * *

"Some 18 years ago, the first president of the Southern Christian Leadership Conference, Dr. Martin Luther King, stood near these hallowed grounds and proclaimed to the world that he had a dream that this nation would eliminate poverty, that this nation would institute brotherhood, and that justice would roll down like the waters. You and I have come here today from North, South, East, and West—black, brown, red, and white—to say that we are building a new movement, a new coalition to fulfill the dream that Martin Luther King had 18 years ago."

—Rev. Joseph Lowery, president, Southern Christian Leadership Conference.

* * *

"You know the gentleman who resides in the White House saw fit not to be here today. He's up at Camp David. Let's have one more loud yell . . . one more reminder that we're here."

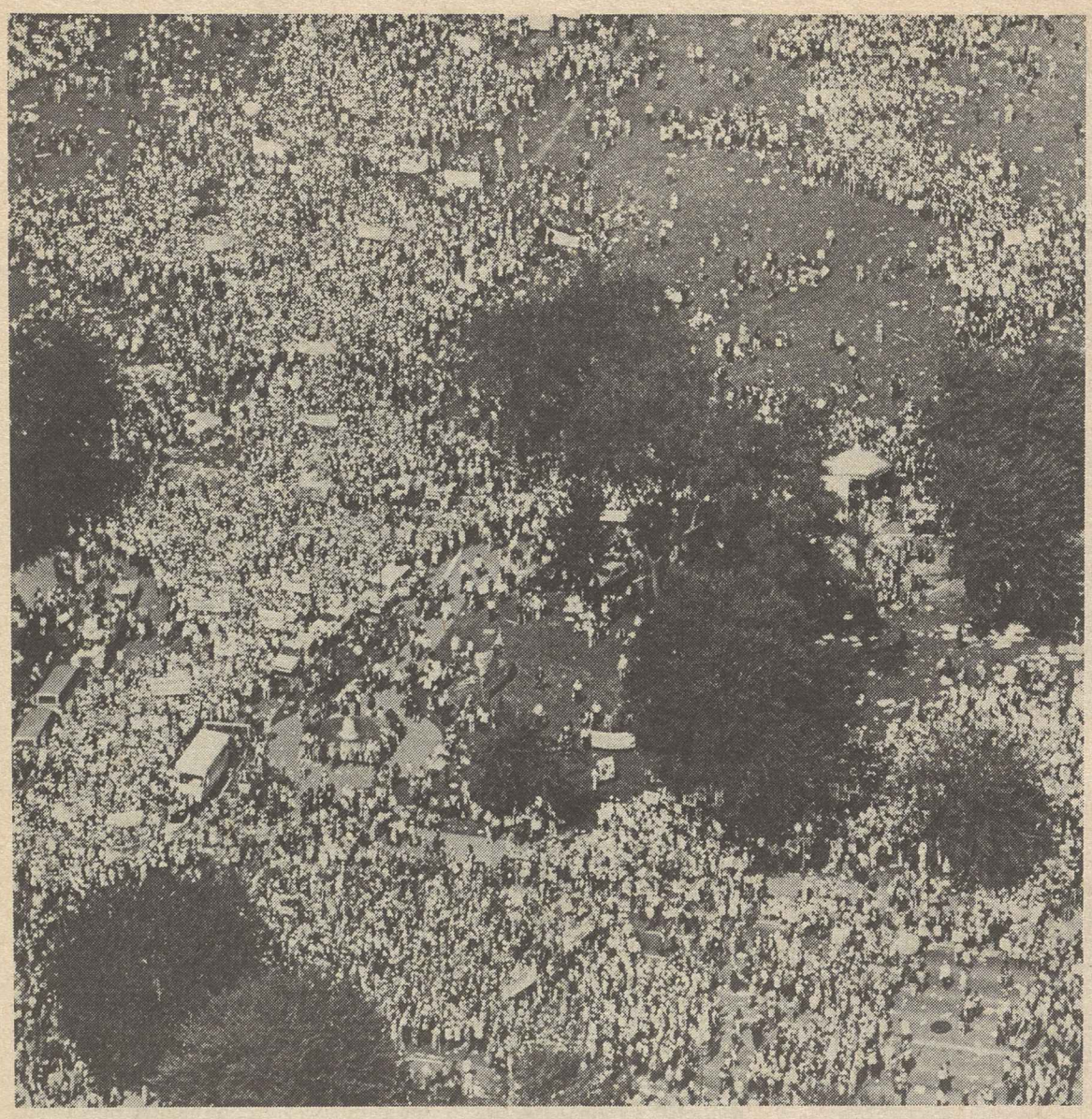
—Charles Pillard, president, International Brotherhood of Electrical Workers.

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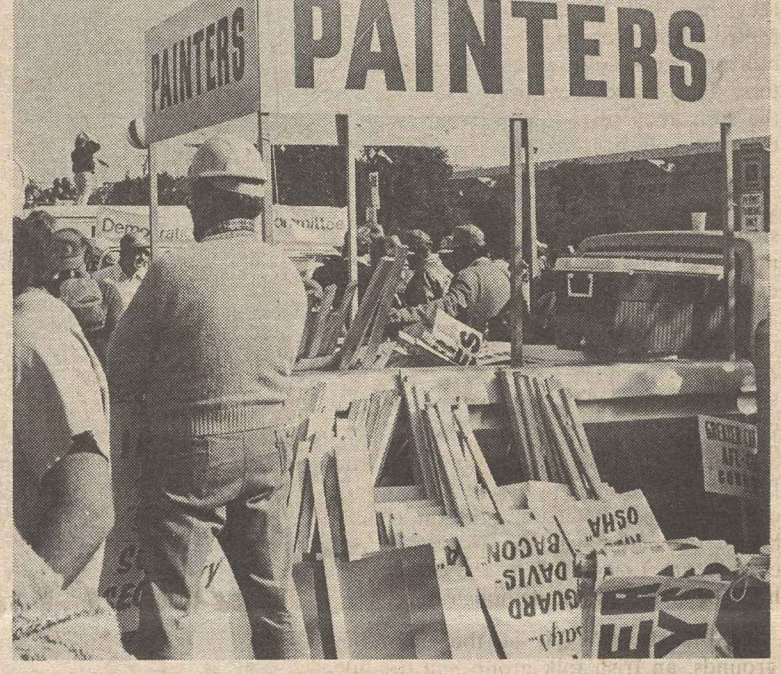
"By marching today, students demonstrate that they will not roll over and play dead while student loans are slashed and job training programs are eliminated. By marching today, young people demonstrate that they support equal pay for equal work and they are opposed—unconditionally—to subminimum wages.

"Today, young people march side by side with trade unionists, senior citizens, minorities, environmentalists, farmers, and many others. Tomorrow, young people will register to vote—and we will vote."

—Jessica Smith, executive director, Frontlash.



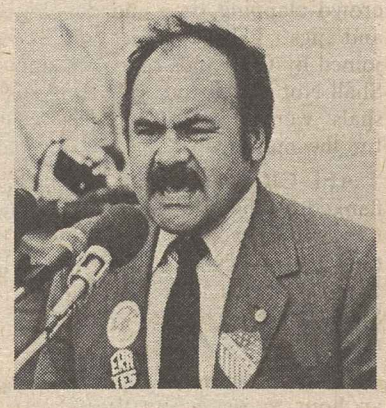

USWA
FIGHT REAGANISM
SEPT. 19
WASH., AFL-CIO
OCT. 10-18
DETROIT-
ALL PEOPLES
CONGRESS
We Are ONE
LET THEM EAT KETCHUP
STOP RUNAWAY SHOPS

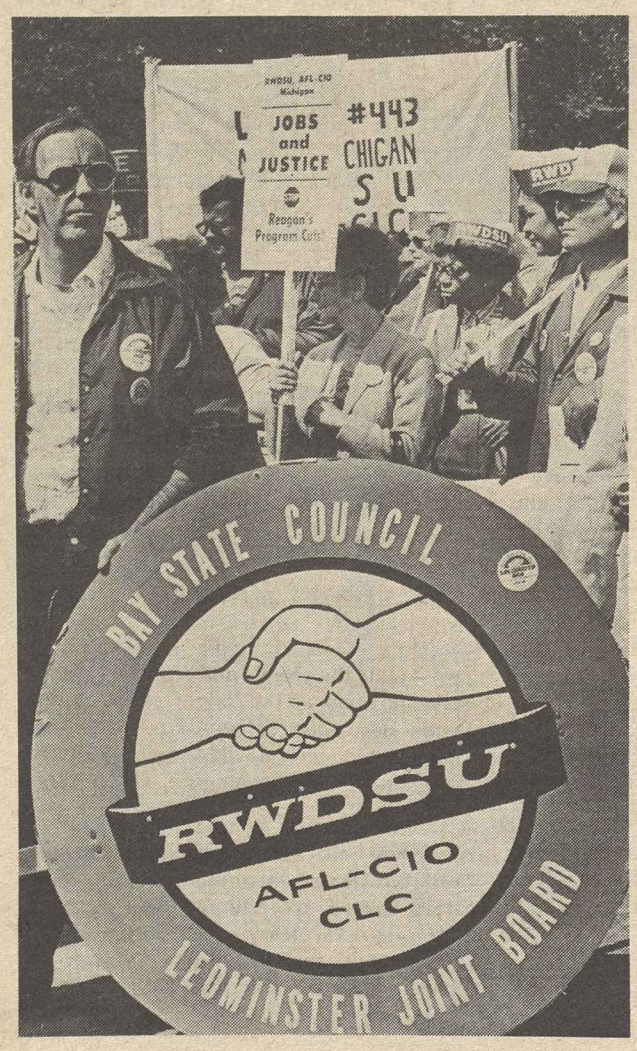

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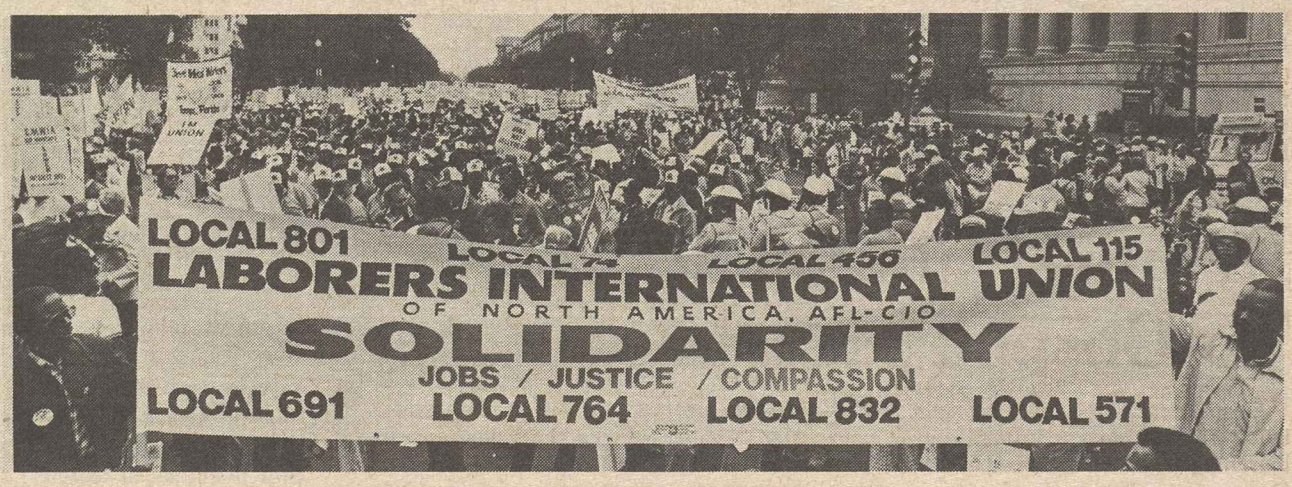

WE'RE
H.E.R.E.
HOTEL EMPLOYEES
RESTAURANT EMPLOYEES
LOCAL

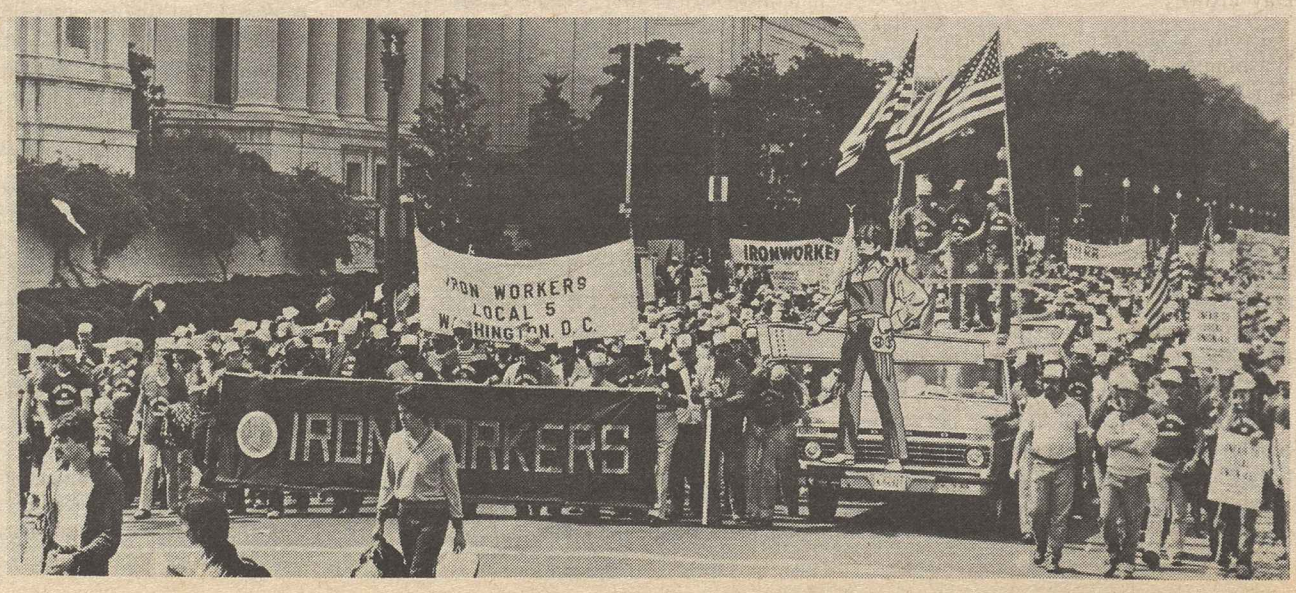

NATIONAL
ASSOC. OF
CONCERNED
VETERANS
TILITY WORKERS of AMERICA
"FOR ECONOMIC JUSTICE!"
AFL-CIO ★ LOCAL 10 PONTIAC, MICHIGAN ★
UNITED
STEAMFITTERS
LOCAL 602
IS SOLIDARITY
Tomorrow






JOBS
and
JUSTICE
Reagan's
Program Cuts
#443
BAY STATE COUNCIL
RWDSU
AFL-CIO
CLC
LEOMINSTER JOINT BOARD


LOCAL 801
LOCAL 76
LOCAL 450
LOCAL 115
LABORERS INTERNATIONAL UNION
OF NORTH AMERICA, AFL-CIO
SOLIDARITY
JOBS / JUSTICE / COMPASSION
LOCAL 691
LOCAL 764
LOCAL 832
LOCAL 571


IRON WORKERS
LOCAL 5
IRONWORKERS

March Writes New Page in Labor Annals

(Continued from Page 3)

long skirts and colonial bonnets from ILG's "union label" printed fabric.

The Ironworkers who build facilities for the Tennessee Valley Authority wore their work clothes and hard hats. "We got right on the bus after the shift," they explained. It took them 16 hours from Nashville, and they were to be back on the bus at 6 p.m. to head home.

THE ENTERTAINMENT started after George Shirley, tenor with the Metropolitan Opera, sang the National Anthem. By this time, the monument grounds were packed. Hats came off everywhere when Shirley began to sing, and a roar went up when he finished.

The staging area quickly filled as thousands of demonstrators at a time emerged from nearby subway stations after their trip from the fringe parking areas where they had left their buses. Washington's Metro trains were packed throughout the morning with jacketed, capped demonstrators. They weren't worried about missing the stop, they said, they were all going to the same place.

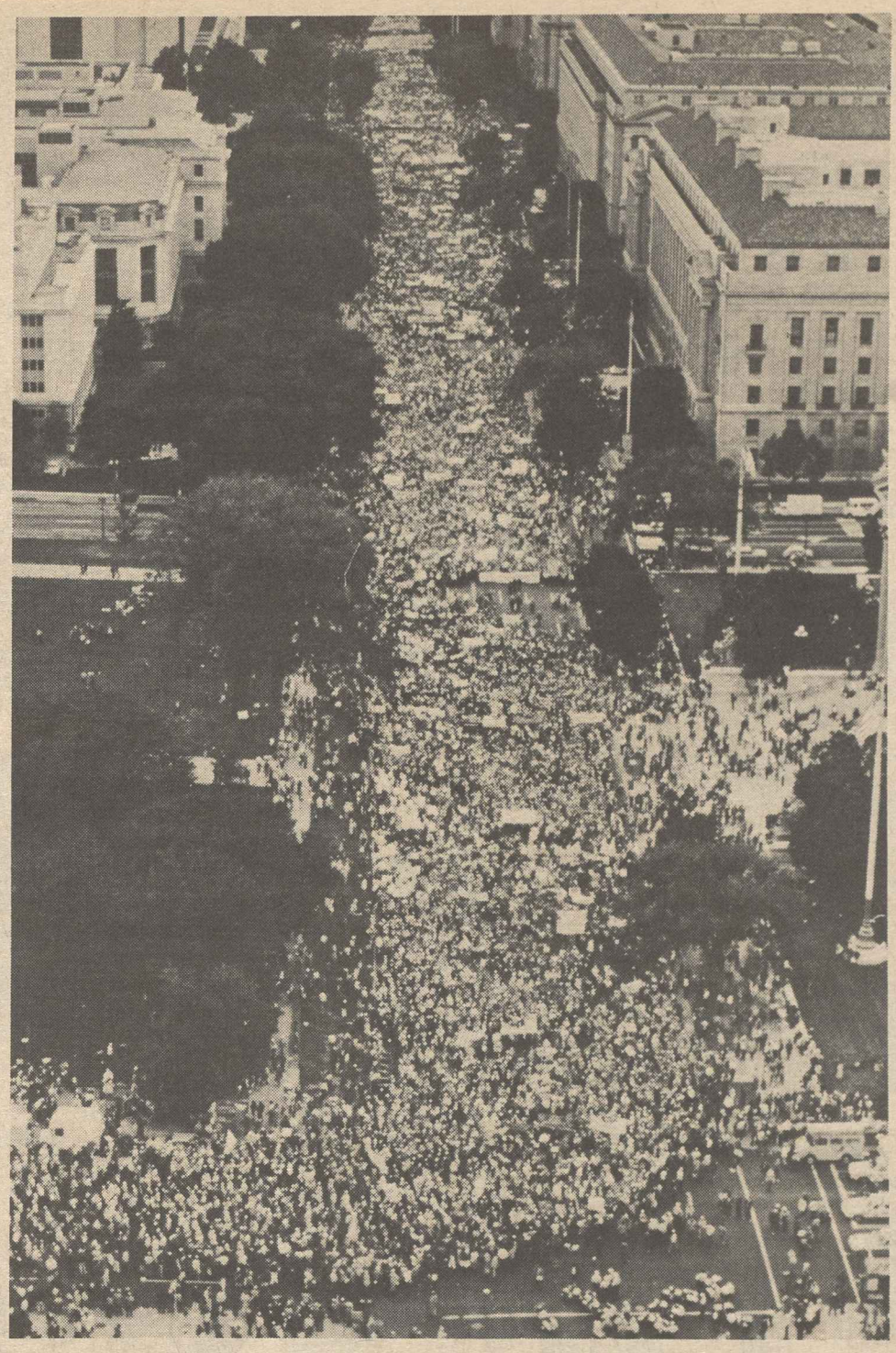
Demonstrators filled every side street, seeking a glimpse of Washington's historic sights as they waited for the long day's march to begin. Some stood in the line to catch the early tour of the White House, and a Government Employee from Baltimore asked directions to the National Archives, "because I've always wanted to see the original Declaration of Independence."

People came with their children, one family all in matching cowboy hats. Some carried babies. H. Claude Hudson, a member of the national board of the NAACP, came from Los Angeles, and at 97, may have been the oldest demonstrator.

ON THE STAGE at the monument grounds, an Irish folk group had the huge crowd clapping time and dancing to reels and jigs. Labor singers on stage were joined by thousands of voices singing "We Shall Not Be Moved." By 10 o'clock, marshals were assembling their delegations for the march up Constitution Avenue.

AFL-CIO President Lane Kirkland, flanked by the representatives of the coalition that had joined Solidarity Day and the federation's Executive Council, got a cheer when he took his place behind the Solidarity Day banner to start the march at noon.

The first wave of marchers took about an hour to reach the West Front of the Capitol for the rally. By themselves, they had filled the width and length of the avenue, and hours later marchers were still flooding the expanse of the Mall. From the platform, they stretched a solid mile back to the Washington Monument. You had to be impressed.



Media Coverage Near 2,000 At 'Banner Day for Labor'

Nearly 2,000 reporters, photographers and technicians from print and electronic media covered the Solidarity Day march, and the stories they filed reflected the impact of the huge demonstration.

The New York Times pronounced the rally "a stunning success" and pointed particularly to the varied nature of the crowd. "It was young and old, black, white, Hispanic, construction union and industrial workers. Because of this diversity, it was unlike the single purpose crowds that gathered in the civil rights and antiwar days."

THE TIMES also noted that the mood of the day was one of "great camaraderie and happiness" among "genuine American workers."

The New York Daily News called the march "A Banner Day for Labor Protest." The paper's front page headline, "Labor Rally Blasts Ron," caught the theme of the rally, a show of opposition to the Administration's economic and social policies.

The rally was "a massive wave . . . unprecedented in modern labor history and perhaps the largest political protest in Washington during the past 20 years," the Washington Post reported.

THE CROWD, the Post noted, "was a broad slice of America . . . a colorful patchwork of men, women and children . . . which might become the most powerful grass roots progressive coalition since the civil rights and anti-Vietnam War days."

The "therapeutic value to the labor movement" of the demonstration was highlighted by the Wall Street Journal, which quoted AFL-CIO Sec.-Treas. Thomas R. Donahue's remark, "if this doesn't put an end to the nonsense about us not speaking for our members, I don't know what will."

Solidarity Day was meant to "send a clear message to the White House," the Journal said, pointing out that "many demonstrators appeared to be Mr. Reagan's constituents—middle class and middle-aged."

Chicago Tribune columnist Anne Keegan, commented that the city of Washington was impressed not only by the numbers who came for the rally, but also the character of the crowds.

"WHO WAS IT that was so impressive? It was Middle America," Keegan said. "It was the people that built this country and want to keep on doing it. It was the meat-and-potatoes people, the ones who put in eight hours and have no company expense account. The ones who fight our wars. The ones who pay our taxes and have no loopholes."

"It was the working class. And they came to Washington because they want to stay that way," Keegan observed.

Demonstrators Mark Time To Gospel, Jazz, Folk Beats

Gospel, jazz and opera blended with labor songs, blues, country music and marching bands to entertain the Solidarity Day crowds.

From a stage on the grounds of the Washington Monument, dozens of entertainers, themselves members of performers' unions, played to the thousands of demonstrators waiting on the slopes to take their places in the line of march to the Capitol.

MANY OF THE groups performed from the Capitol rally platform as well, and singer-composer Stevie Wonder also was introduced. Wonder attended the rally to show support of Solidarity Day, but did not perform.

Metropolitan Opera tenor George Shirley opened the program with the National Anthem, and stage actor Ossie Davis and "Alice" star Linda Lavin introduced the nearly three-hour outdoor show.

Even bus-trip weary demonstrators danced and clapped with the Irish songs and reels of Washington's Celtic Folk and with the Billy Sparks Band of Austin, Tex., billed as "labor's own country-western band."

Folk singer Pete Seeger was greeted with a roar of applause.

Labor singers included Joe Glazer, Bobbie McGee, Si Kahn and "Groundwork" as well as 81-year old Florence Reeves of Harlan County, Ky., who wrote "Which Side Are You On?"

GOSPEL SINGER Jennie Burton electrified the crowd, and jazz pianist Frank Hinton and Spanish singer Jorge del Castillo were enthusiastically received.

Other entertainment included original songs by AFSCME District Council 37's "Serious Business," the New York Street Theatre Caravan, the Howard University Chorus and the ILGWU Chorus.

Long Journey Fails to Deter Participants

Virtually every state in the union was represented at the Solidarity Day march by the 400,000-plus demonstrators who arrived by bus, car, van, train and even on foot. Travel through U.S. air space was out, however, with union members sticking to ground travel to show support for the striking Air Traffic Controllers.

Most demonstrators, many of whom had been on the road all day and night, said they had arrived in Washington in the early morning and would get back on their buses immediately after the rally for the trip home.

AFL-CIO Solidarity Day coordinators reported requests for more than 5,000 bus permits from unions and allied organizations and estimated that many more buses would be arriving at the last minute. The majority of the buses were parked in metropolitan Washington's fringe parking areas, and demonstrators rode the city's subway, free for the day, to the Mall.

Amtrak, which had added trains to its Northeast corridor, Florida, and Midwest schedules, reported that its reserved seat Metroliners were sold out and non-reservation trains were full.

Although the PATCO strike led to cancellations of air reservations, demonstrators were determined to make the trip to the nation's capital no matter how long it took.

"ONLY THE bus captain is allowed to be cranky on this trip," Ross Rieder warned the 41 demonstrators in the caravan that left Seattle at 7 p.m., Thursday, Sept. 17. Rieder, Washington State AFL-CIO Solidarity Day coordinator, led his delegation to Vancouver, B.C., where they caught a night flight to Toronto and changed to an all-day bus to D.C. They reversed the process on Sunday.

The Wisconsin AFL-CIO arranged a bus caravan through the state to pick up its delegation for a 900-mile trip.

The Alabama AFL-CIO reported at least 11 buses from that state organized by central labor councils. The Iowa AFL-CIO changed its last convention session to 6:30 a.m. so its buses could leave Davenport by 8 for the trip east.

AT LEAST three buses and dozens of cars and vans with Oklahoma union members made the 22-hour drive, and the Minnesota AFL-CIO rallied trade unionists and representatives of allied organizations in Minneapolis and St. Paul for a bus caravan.

Demonstrators from dozens of unions and other cities told the same story: most had ridden on all-night buses, most were returning home the same way immediately after the Solidarity Day rally ended.

Signs and license plates on buses, hometowns printed on jackets, signs and banners read like an atlas. Among them: Punxsutawney, Pa.; Wheeling, W. Va.; Raritan Valley, N.J.; Tulsa, Okla.; Monck's Corner, S.C.; Lorain, Ohio; Muskingum, Ohio; Waukesha, Wis.

Demonstrators wore banners announcing they were Service Employees from Boston, Auto Workers from Detroit, Steelworkers from Alabama, or striking Teachers from Philadelphia.

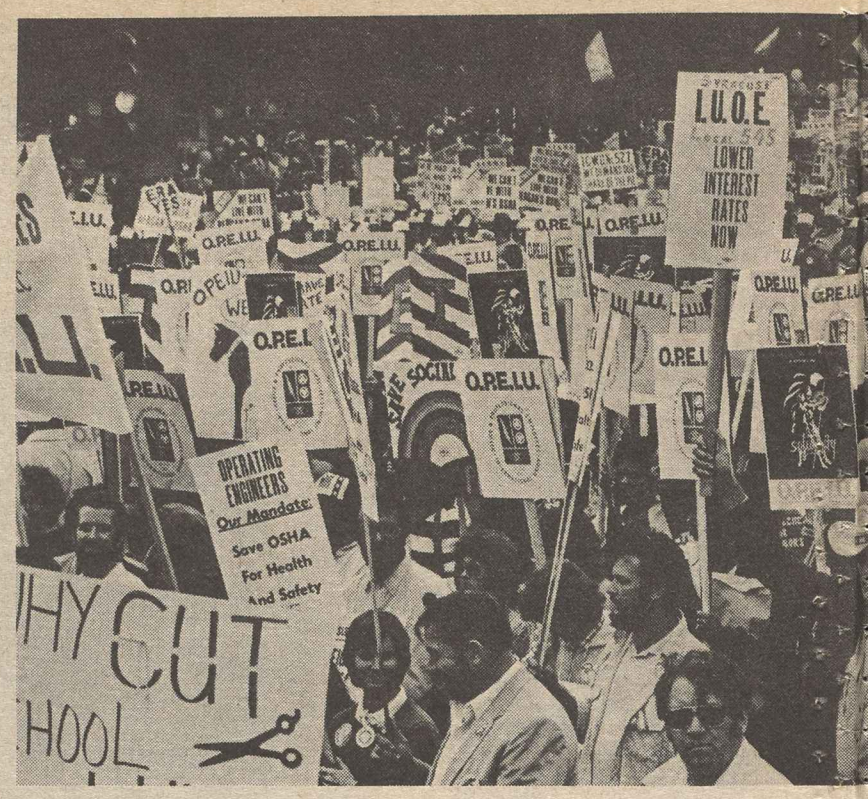
City Counts Crowd At Over 400,000

More than 400,000 demonstrators were on the Mall and in the march staging areas at the height of Solidarity Day, according to an official estimate released by Sam Jordan, acting deputy director of the Washington, D.C., Mayor's Office of Emergency Preparedness.

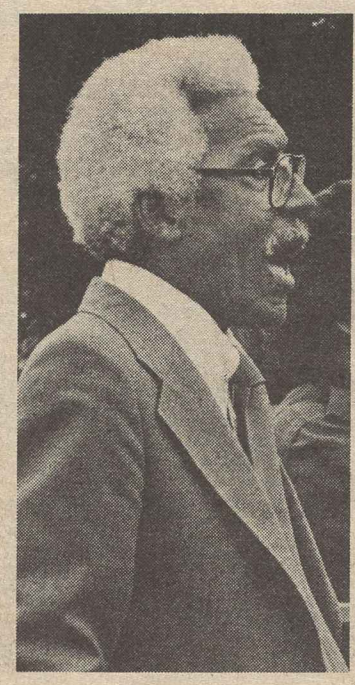
Official city estimates of previous record crowds at Washington demonstrations logged 250,000 or more at both the Nov. 15, 1969, anti-Vietnam War protest and the civil rights "March on Washington" of Aug. 28, 1963.

We Are One


GAIU
LOCAL 289
CWA
LEADING THE WAY
REAGAN LIVES IN PUBLIC HOUSING
SAVE THE PATCO


L.U.O.E.
LOWER INTEREST RATES NOW
OPERATING ENGINEERS
Our Mandate:
Save OSHA
For Health
And Safety
O.P.E.I.U.


People
BEFORE
Profits
AFSCME








save social security
save social security



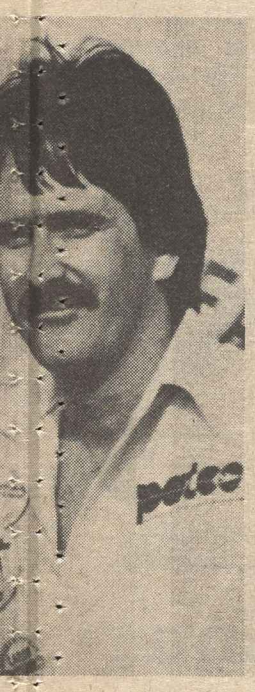

SOLIDARITY
0099
HEALTH CARE FOR ALL

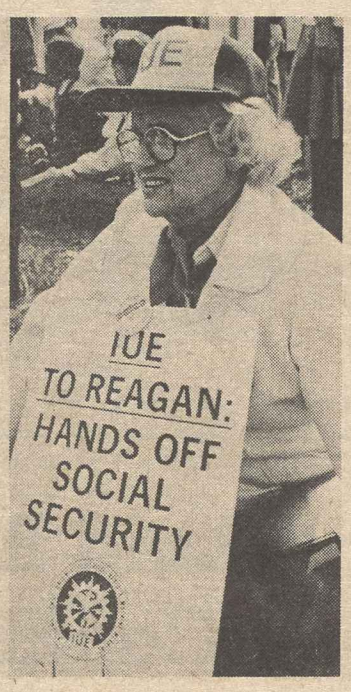



Her F
Is At


O.P.E.I.U.
WE DEMAND FULL SOCIAL SECURITY FOR ALL


IBEW
OUR MANDATE
EXPORT GOODS NOT JOBS...
IBEW
OUR MANDATE
Protect
SOCIAL SECURITY
AFL-CIO SOLIDARITY DAY
1470
LABOR
IS ON THE
MOVE
IBEW
OUR MANDATE
A CLEAN
AND HEALTHFUL
ENVIRONMENT.




IUE
TO REAGAN:
HANDS OFF
SOCIAL
SECURITY

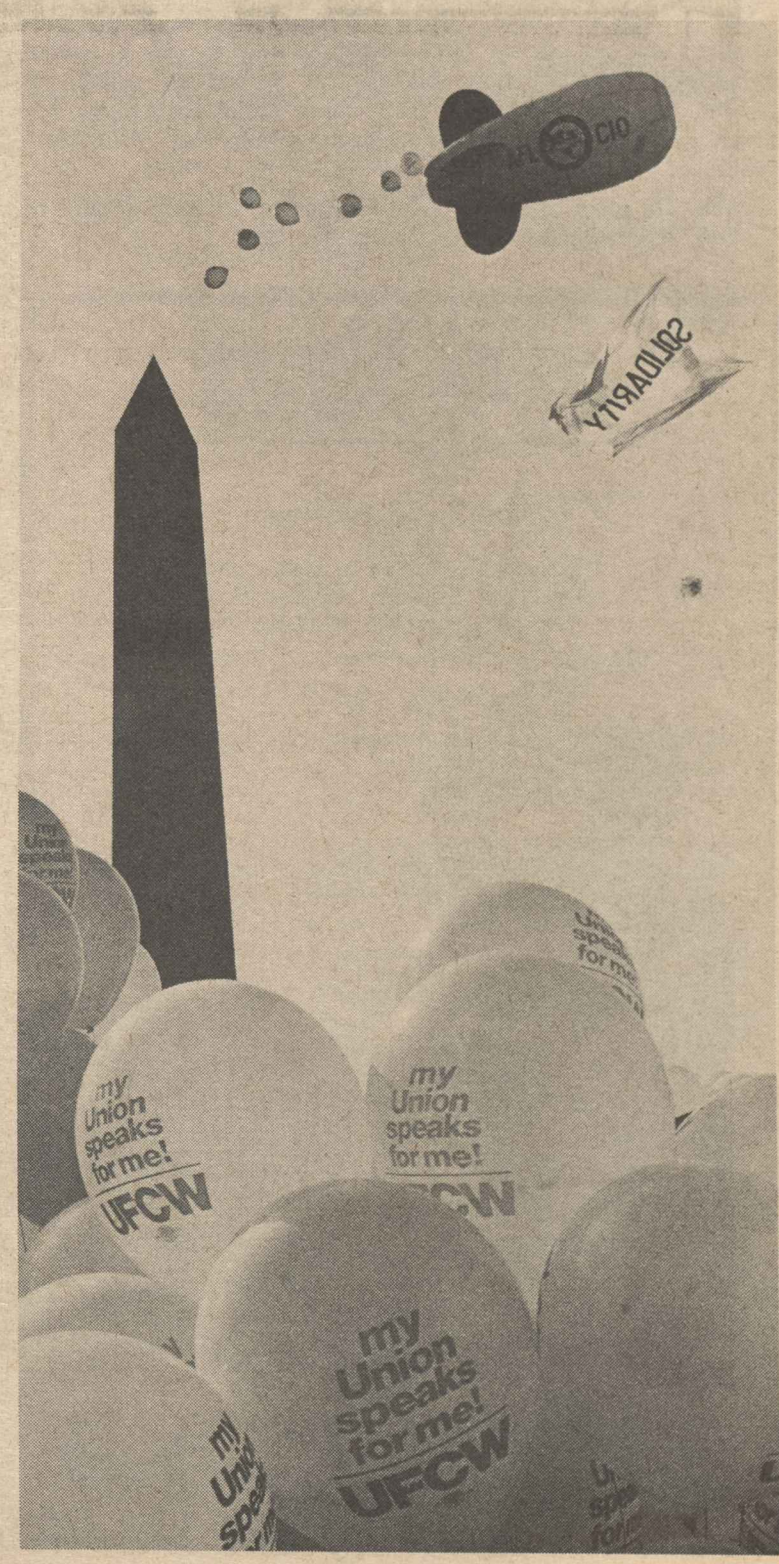



WE
ARE
ONE




SEIU


HEALTH CARE
FOR ALL
SEIU
SEIU


AFL-CIO
SOLIDARITY
my Union speaks for me!
UFCW


AMERICAN
FEDERATION OF
TEACHERS, AFL-


THE NEWSPAPER GUILD
AFL-CIO, CLC
U.F.C.W.
PUBLIC EDUCATION:
America's First
NO MORE CUTS

A Starting Point

GREAT AS IT WAS, Solidarity Day must be viewed as a starting point, not a finish line, for the trade union movement and its many allies.

The more perceptive members of Congress will recognize that the massive Solidarity Day protest touched a wellspring of back-home resentment that is building up against Reagan Administration policies.

Increasingly, this Administration is seen as callous to the poor, hostile to workers, indifferent to minorities, neglectful of the public need—and excessively generous to those who already have wealth and power.

Were it otherwise, not even the meticulous organization that went into the making of Solidarity Day could have produced such a turnout. Ordinary Americans simply do not board buses at daybreak or drive through the night merely to listen to speeches. Not by the hundreds of thousands, they don't.

BUT THE PRESSURE must be kept up, or Congress will tend to relegate Solidarity Day to the status of a one-day wonder with no permanent impact. This must not happen.

The answer lies partly in the shaping of effective working coalitions in the cities and states by the groups that marched together on Sept. 19. There are some such coalitions, but not nearly enough. "We Are One" is not just a slogan for a single day.

Another part of the solution is to perfect the grass-roots lobbying effort that already exists in some localities and in some unions, but again not enough.

Certainly, none of our organizations can do it alone. Even together, there is a realistic limit to what can be accomplished given the nature of the Congress and Administration already in office. But there will be other elections, and an electorate that is aware of the issues and the records of the candidates can make a difference.

THE NEXT BATTLE is already on us. The President is asking Congress for still a new round of budget cuts, including a reduction in "entitlements," such as the right to receive social security benefits promised by law.

Given continued high interest rates—themselves a result of Administration economic policies—the President and his aides argue that further cuts are the only way to keep the goal of a balanced budget within sight.

There is, of course, a simpler way. There is no reason why Congress cannot at least defer new tax breaks for oil companies and oil royalty holders.

Nor is there any reason why a cap cannot be put on the individual income tax cut for 1982—affecting only the top 6 percent of taxpayers who are now scheduled to receive 35 percent of the total tax cut. And was it really more important to give still further depreciation tax breaks to business firms than to fund job training or food safety?

These are some of the things a responsive Congress should be thinking of in the aftermath of Solidarity Day.

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Official Weekly Publication of the
American Federation of Labor and Congress of Industrial Organizations
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THOMAS R. DONAHUE, *Secretary-Treasurer*

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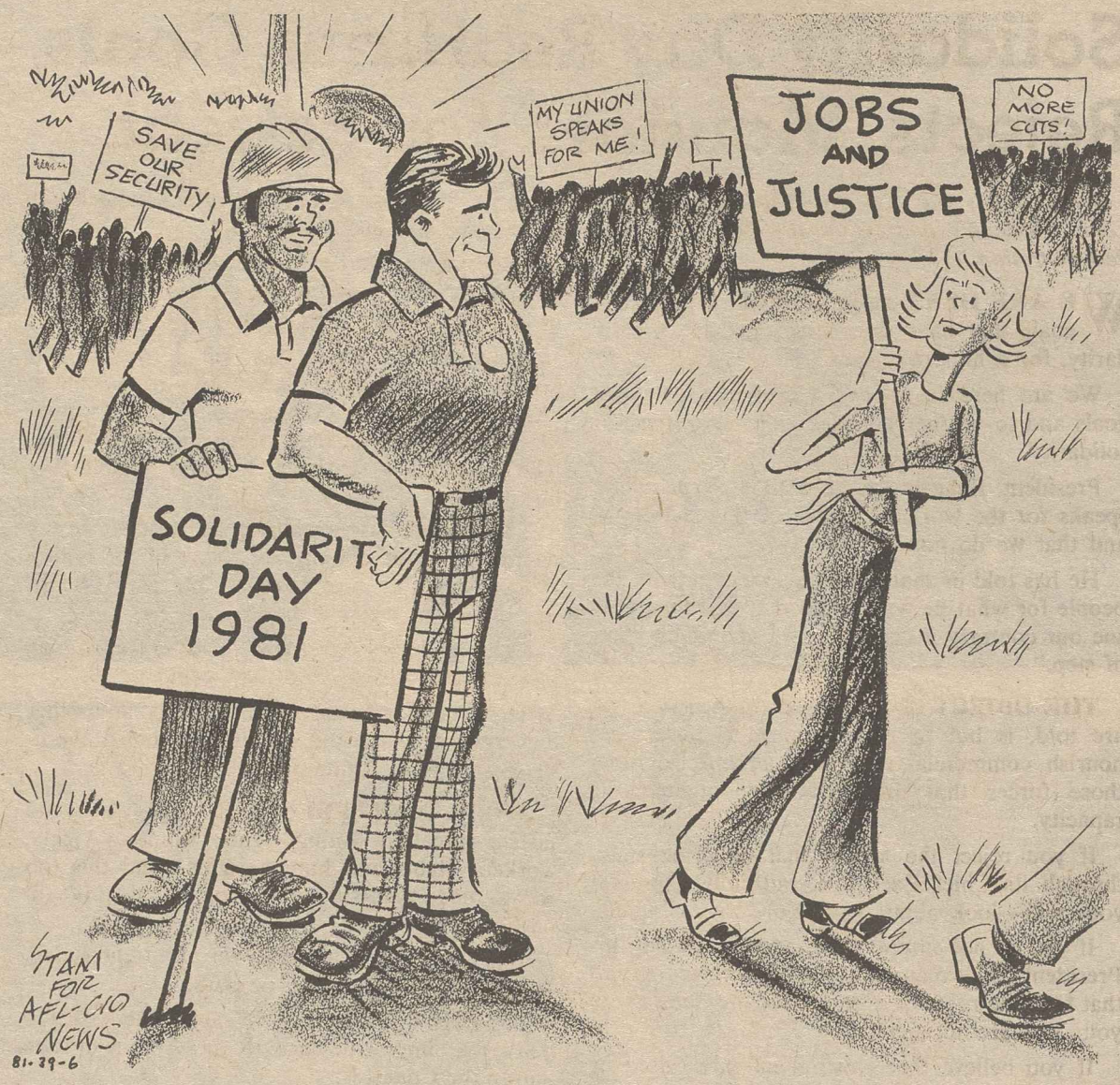
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'Let's Go On from Here!'



Turning Things Around

Meeting on the Mall Laid Basis For Strong, Effective Coalition

By Gus Tyler

SOLIDARITY DAY was much more than a mass meeting; it was a meeting of the masses. And the difference is more than a play on words.

You can have a huge assembly of the like-minded, a homogeneous gathering of political clones. That's one kind of meeting. Or you can have an assemblage of the unlike, and even the unlikely, a coming together of the uncloned. That is another kind of meeting—a coalition of diverse elements in a common cause.

EARLY ON, our country found a slogan for this "meeting of masses." You will find it imprinted on some of our coins. It reads: E Pluribus Unum, "Out of Many, One." Under that rubric this nation was born.

Under the same inscription, this nation may be reborn at a time when there was the danger that we were moving toward a moment when these United States would go down—yes, down—historically as those "Disunited States."

In the last dozen years or so, we appear to have become unglued. John Gardner calls it "pluralism run amok." Others see it as an indulgence in narcissism, a victory of "me-ism" over all "isms." Politically, this fragmentation of our society expresses itself in the proliferation of single-issue groups. Whatever the description or diagnosis, this breakup of our society into multiple warring sects seems to fulfill the gloomy prophecy of Yeats about the hour when "things fall apart, the center cannot hold."

THE REAGAN REGIME threatens to make matters worse. The economic squeeze has been turning people against people in a cannibalistic struggle to survive.

There is much history to suggest that widespread suffering does not necessarily unite people in a rational effort to stay collectively alive. Just as often, hardship turns each against each.

We have been seeing a growing trend toward such cold civil wars: Men are out of work because too many women are in the labor force; teenagers are unemployed because too many old fogeys hang on to jobs, and vice versa; workers are overtaxed because the poor are over indulged; the snow states are in trouble because the sun states are being favored, etc.

As the budget is cut, each group sees the other as "the enemy," as a rival in the bitter battle over a piece of the shrunken pie. Carried to the ultimate, social order falls into disorder, into a Hobbesian war of everyone against everyone.

To the party or person involved, such a falling-out of the people may not be an unwelcome event. Once again a minority, responsible for the catastrophe, may govern a majority by the ancient strategy of "divide and rule."

What Solidarity Day did was to start turning things around, to name the common foe: the Reagan Regime. By that act, the meeting on the Mall laid the basis for an effective coalition in the years ahead.

BUT SOLIDARITY DAY is, at best, only a beginning; a common foe is not a common cause; a shared emotion is not a shared program.

The necessary feeling is present for a creative coalition, for a meeting of the masses, but we still need the ideas, to program a policy, for a meeting of the minds.

'We Will Be Back Again and Again . . .'

In his remarks at the beginning of this program, Lane Kirkland read the Sam Gompers statement of 1983 outlining what the people want. As we conclude today, let me read you a similar message spoken 12 years ago by Lane Kirkland, and even more valid today, on how we're going to fight for those things.

He said, "We are blessed and strengthened by one piece of sure and certain knowledge: that there are no lost causes for us. . . . Though we may lose a round, and another and another and another, we will always be back again and again . . . and we are going to win because we are not going to quit, not today, not tomorrow, not while we breathe."

So spoke Lane Kirkland 12 years ago. So spoke each and every one of you today by your presence here. So spoke the more than 400,000 people who participated in this rally today.

—Sec.-Treas. Thomas R. Donahue, in closing remarks at Solidarity Day, Sept. 19, 1981.

Response to Reagan's Challenge

Solidarity Day Reaffirms Goals, Rejects 'Mandate' for Retreat

Following is the text of AFL-CIO President Lane Kirkland's address at the Solidarity Day demonstration.

WE ARE HERE today to reaffirm the great goals that have drawn us together, in solidarity, for a hundred years.

We are here to answer a challenge to those goals and to all that we have gained together, in solidarity.

President Reagan has told us that he alone speaks for the working people of this country—and that we do not.

He has told us that he has a mandate from the people for what he wills—and that when we pursue our contrary instructions, we are simply "out of step."

THE OBJECT of governance in America, we are told, is but to raise armies, to foster and nourish commercial enterprise, and to suppress those forces that might check or temper its rapacity.

If you reject the notion that only the state, through its Chief Executive, faithfully expresses your will—look about you. You are not alone.

If you do not embrace the proposition that this President has a mandate to destroy the programs that feed the roots of a decent society, look about you. You are not alone.

If you believe that governments are raised by the people, not as their enemies but as their instruments, to promote the general welfare, look about you. You are not alone.

Behold your numbers, as far as the eye can see. Attend their spirit, vital, strong and free.

LOOK AT YOUR brothers and sisters, by the thousands, still marching—in solidarity—down the historic ways of their capital city.

You are working men and women who have come here with your friends and allies because you care deeply about the course of your country.

You have given up your family days of rest and spent long and tiring hours in buses, trains and cars, from every part of this land, as an act of devotion and testimony.

Your testimony must be heard. The future course of this nation hangs upon it.

You are the people that do the work of America. You run its factories and offices, work its farms, transport its produce, maintain its buildings, teach its children, nurse its sick, clean its streets and fight in its defense.

When something goes wrong in America, you feel it first—before the politicians or the more securely placed. You know it before the pollsters take your pulse.

SOMETHING HAS gone wrong and you know it all too well.

Those who have risen to power in this city have set out to strip our government of any capacity to serve your needs and aspirations.

They have set out to cancel and dismantle the safeguards of a humane society and to commit us to the economic jungle.

They are sacrificing the homes, health and hopes of millions on the altar of crank economic abstractions that defy the laws of simple arithmetic and dismay even their friends on Wall Street, who never allow sentiment to blind them to the bottom line.

Their tax cuts—transferring resources from the common good to the private purses of the rich—are proving the most irresponsible fiscal act in our times—as we said they would.

Their monetary policies are causing record high interest rates—as we said they would.

They have attacked social security and other covenants between the people and their government—as we said they would.

THEIR INDIFFERENCE or hostility to social justice threatens voting rights, women's rights, workers' rights and human rights—and this too we warned, many months ago, would come to pass.

We were right then and we are right today. Attention should, at last, be paid.

Labor is here, in its one hundredth year, to deliver a simple message to the Administration and to the Congress.

We have come too far, struggled too long, sacrificed too much, and have too much left to do, to allow all that we have achieved for the good of all to be swept away without a fight. And we have not forgotten how to fight.

We are out of step with no one but the cold-hearted, the callous, the avaricious and the indifferent.

We are out front and we shall not fall back to hide and wait for better political weather.

BUT THE WINDS are changing as they always do. The winter's chill is approaching and the bloom is fading from false mandates.

Today is just a start, but Solidarity is more than just a day. As our brothers and sisters in Poland have shown the world, it is a quality of the human spirit that can never be defeated.

On this historic day of that new start let us all pledge to each other to return to our communities and to build a new mandate for a humane and just America.

Our mandate responds to the call of Gompers, for:

"More school houses and less jails, more books and less arsenals, more learning and less vice, more constant work and less crime, more leisure and less greed, more justice and less revenge."

Let us bind that mandate in the spirit of Solidarity—forever.

Reagan Plan Raises Alarm

Proposed Social Security Cuts A Basic Issue for Protesters

THE SPREAD AND DEPTH of the public protest against President Reagan's huge social security cutbacks were clearly displayed in the Solidarity Day demonstration Sept. 19 in Washington, AFL-CIO Social Security Director Bert Seidman said on a network radio interview.

Seidman pointed to growing alarm about the Administration's determination to press Congress for even greater benefit and protection cuts than those approved just before the August congressional recess.

"There is nothing in the President's recent statements that should encourage older Americans," he observed.

President Reagan is maintaining his demand that Congress make "huge cutbacks" on top of those that have already hit early retirees, disabled workers and students, Seidman noted. He appeared on the network radio interview, Labor News Conference, aired weekly by the Mutual Broadcasting System.

Seidman said the President is pushing hard for the deep cuts because "he really believes that social security is doing too much" and wants a smaller program that does less for the elderly, the disabled and the survivors of deceased workers. But, he added, an even greater motivation for the President is to "cut benefits and thereby build up a surplus that can be used" to achieve his number-one objective of balancing the budget.

THAT, SEIDMAN SAID, is a wrong approach. "The budget is used for year-to-year fluctuations in federal expenditures, while social security is a long-term commitment to the American people."

Reporters questioning Seidman on the AFL-CIO produced public affairs program were Alan E. Adams of Employment Relations Report and Robert Cooney of Press Associates, Inc.

Washington Window

By Press Associates, Inc.

SOLIDARITY DAY was a spectacular success and some of the credit has to go to President Reagan. He is bringing America together again by threatening to destroy the role of the federal government in promoting the common good.

In the name of balanced budgets, the Reagan Administration is dismantling and slashing programs that have helped the unemployed, the disadvantaged, the disabled, the elderly and the hungry.

In the name of dubious economic theories, Reagan is using the presidency to shift power and resources and regulatory protection from workers and consumers to big business and the rich.

Now the working people of America have drawn the line. By the hundreds of thousands, they assembled at the foot of the U.S. Capitol on Sept. 19 to tell Reagan and the 97th Congress that things have gone too far.

IF THIS WAS the "silent majority," it is silent no longer. Many of them opposed Reagan, but accepted his victory. Some voted for him, and now regret it.

They were coal miners and steelworkers and auto workers. They were operating engineers, machinists and iron workers. They were teachers and social workers. They were the disabled and the elderly. They were public employees who provide social services and maintain public buildings and streets.

These were the people who work hard, pay their taxes and fight the nation's wars. They know the value of the G.I. Bill, student loans for their children, jobless pay, workers' compensation, school lunches, food stamps, job health and safety, and social security.

That's what their placards said and what they said in interviews. Wall Street and the financial markets don't believe in Reagan's economic policies and are showing it. The people demonstrating on Solidarity Day, as much in regret as in anger were saying they don't believe the Administration, either.

SOCIAL SECURITY was perhaps the issue mentioned most frequently. Here is what several marchers said:

- Rudy Kuzel, a member of UAW Local 72 in Kenosha, Wis. "Reagan didn't have a mandate to do what he's doing. . . . After he broke promises on auto imports, trade adjustment aid and social security, you can't find hardly anybody in our local who will admit they voted for him."
- Jerry Lozupone, a member of Washington-area Local 26, IBEW—"We are fighting back. Social security is a guaranteed thing. We paid into it."
- Ray Parsley, a member of Carpenters' Local 1578 in southern New Jersey, complained about the housing slump and added: "People have worked all their lives building social security. Now he's taking even that from them."
- Earl Hemick, another union carpenter from Fort Wayne, Ind., had voted for Reagan. But he came to protest because "we don't know where he's going to stop—like with social security."

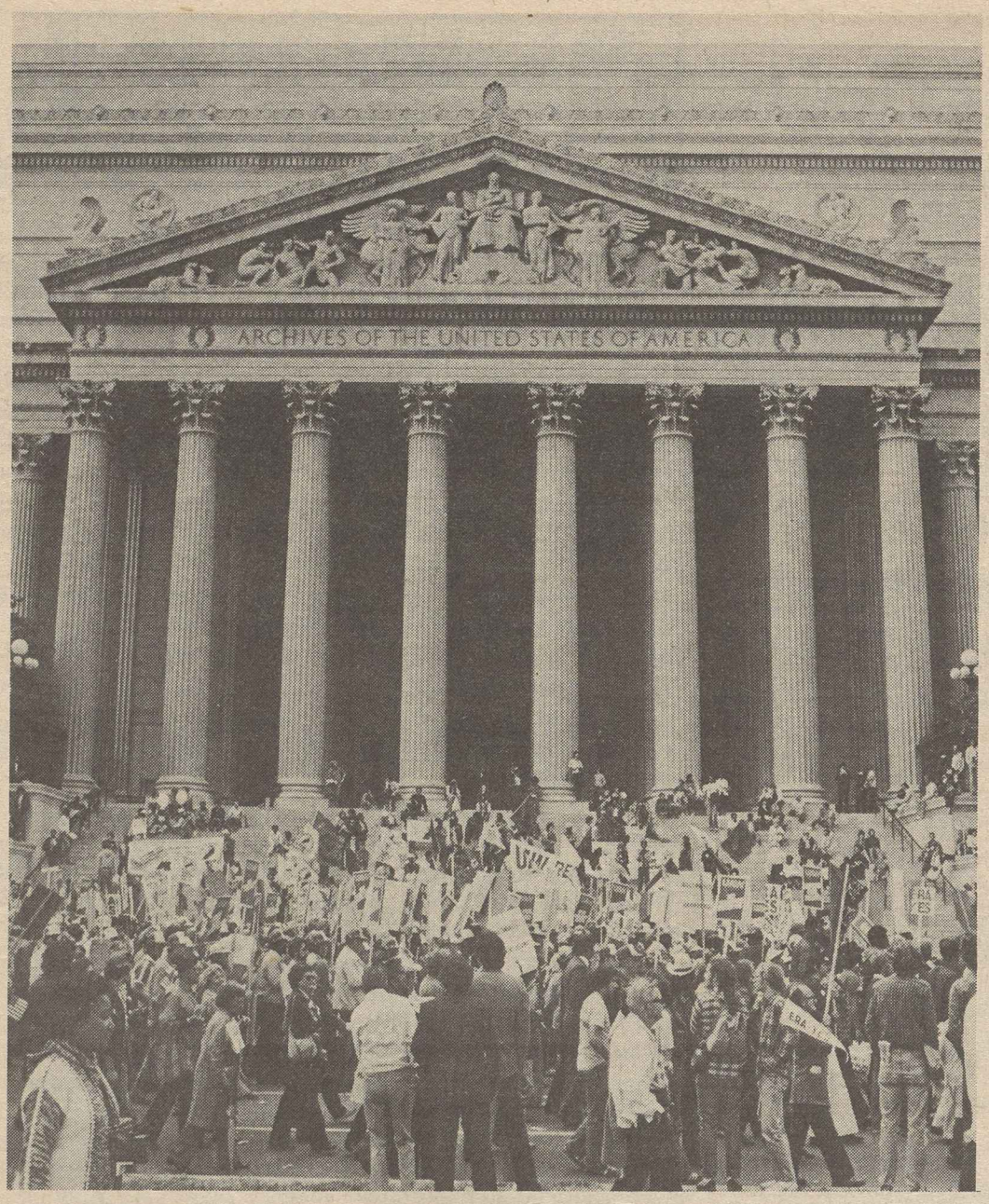
THE REAGAN ADMINISTRATION has played a cruel form of politics with social security and other vital programs, and the people seem to sense it.

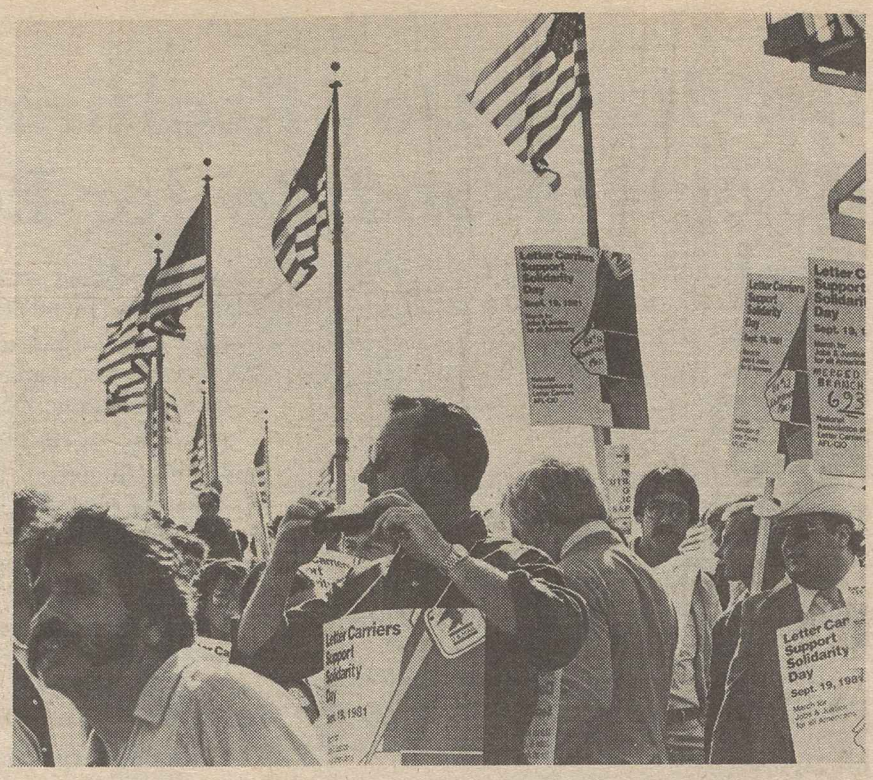
The Solidarity Day rally and a new Washington Post-ABC News poll show support for Reagan on the decline. There has been a decided shift in the Post-ABC poll showing that people now perceive the President's policies as favoring upper-income people and going too far in cutting social programs.

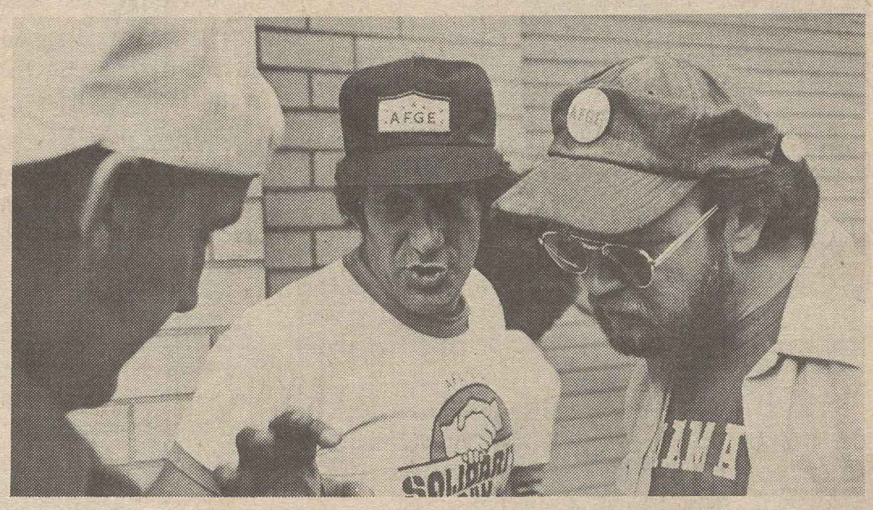
Reagan's downward slide lends relevance to the observation of the first Republican president, Abraham Lincoln: "If you once forefeit the confidence of your fellow citizens, you can never regain their respect and esteem . . . you may fool all the people some of the time; you can even fool some of the people all the time; but you can't fool all of the people all of the time."

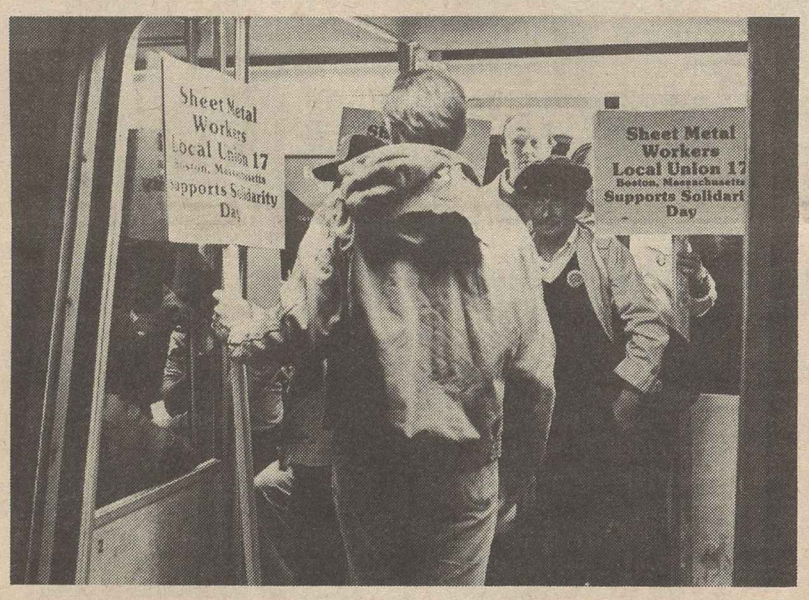


SOLIDARITY DAY demonstrators clearly displayed the spreading public protest against President Reagan's retirement benefit cuts, AFL-CIO Social Security Director Bert Seidman, center, said on Labor News Conference. He was questioned by Alan E. Adams, left, of Employment Relations Report and Robert Cooney of Press Associates, Inc.


ARCHIVES OF THE UNITED STATES OF AMERICA

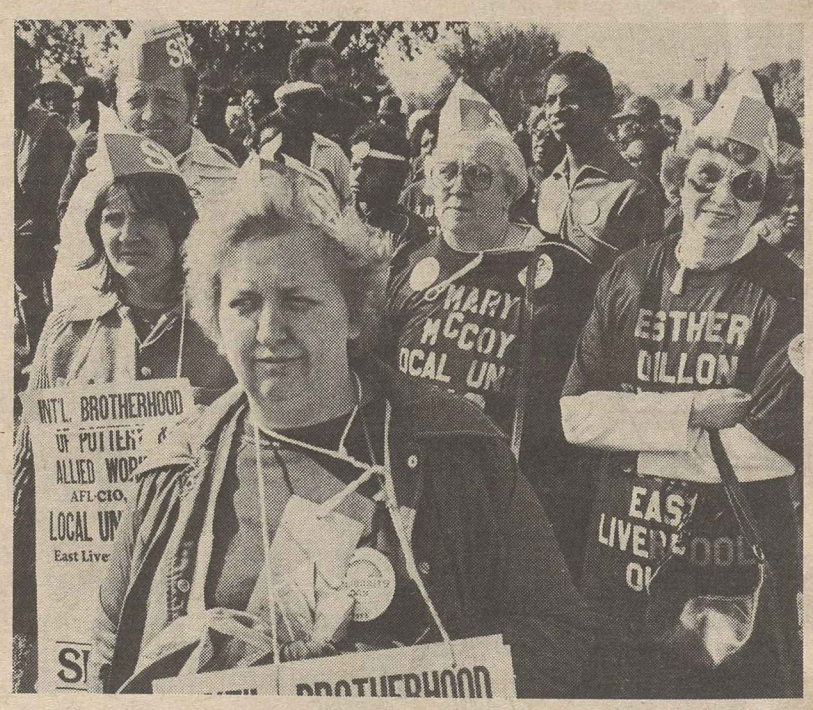

Letter Carriers Support Solidarity Day
Sept. 19, 1981

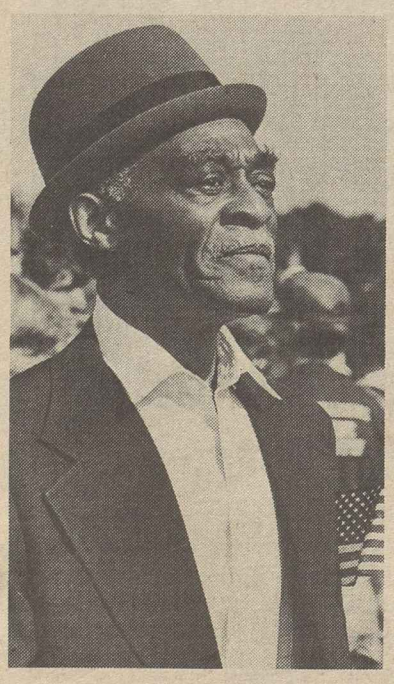

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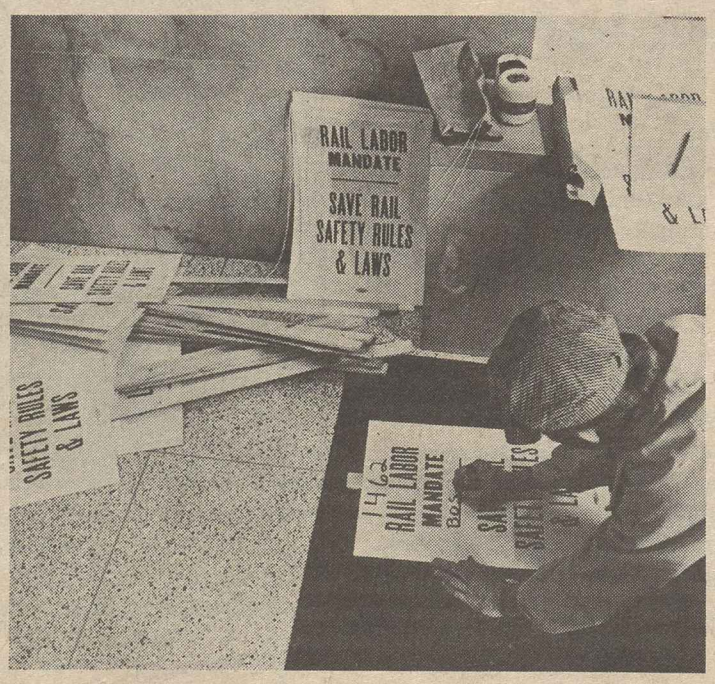

Sheet Metal Workers Local Union 17
Boston, Massachusetts
Supports Solidarity Day


APWU


PROGRESS THROUGH UNITY


MARY McCOY
ESTHER DILLON
INT'L. BROTHERHOOD
AFL-CIO
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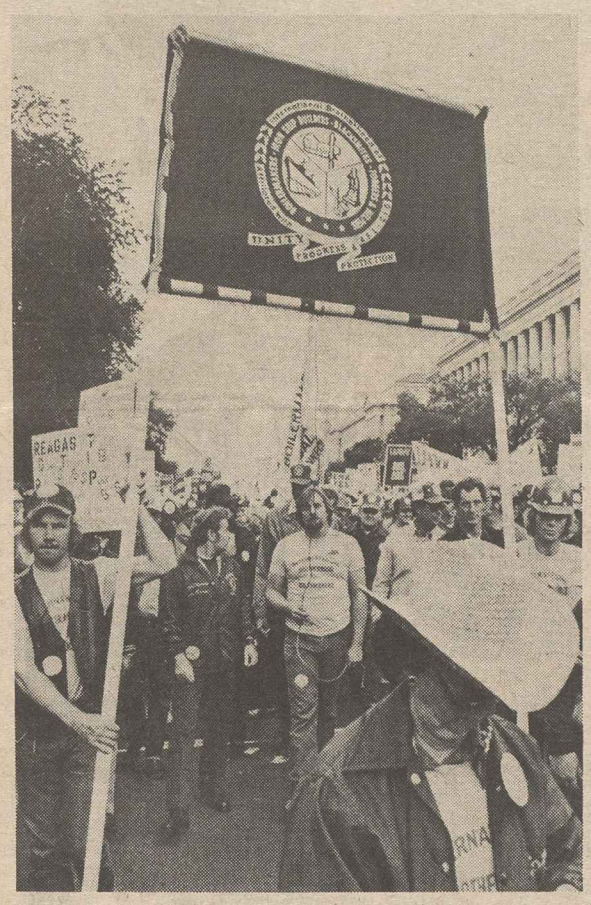

RAIL LABOR MANDATE
SAVE RAIL SAFETY RULES & LAWS



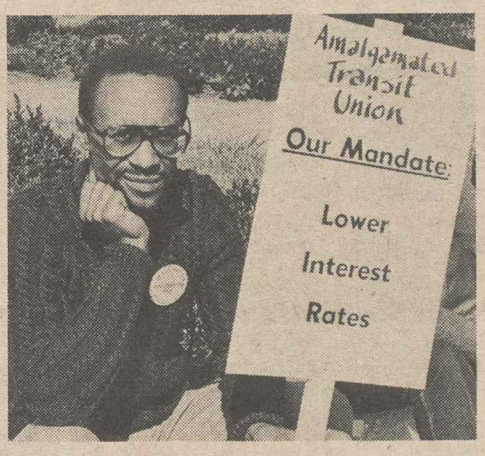


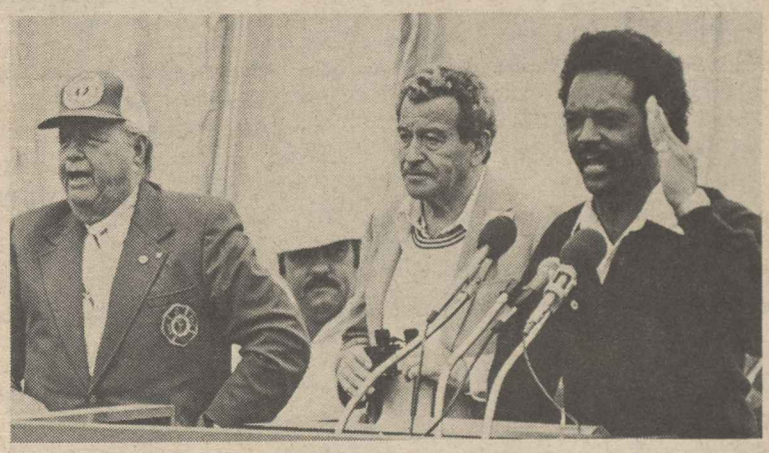

LOCAL SIX-APT
ERA YES
WE CAN'T LIVE WITH
CHEMICAL WORKERS
REGION-3
CHEMICAL WORKERS
I.C.W.U.


AFL-CIO
SOLIDARITY

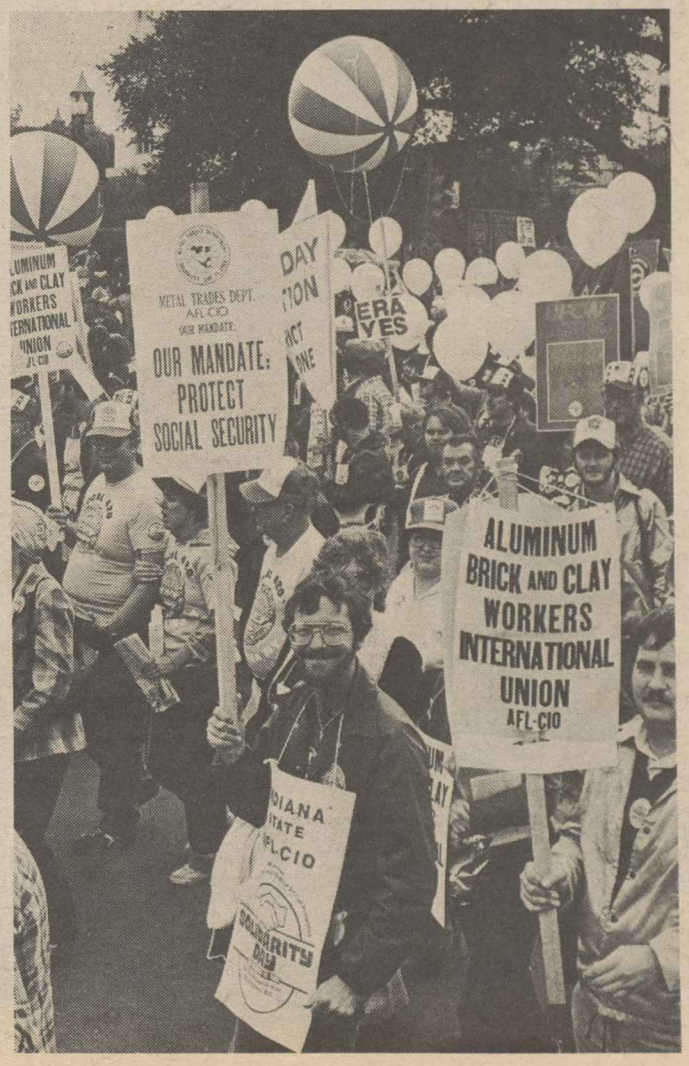


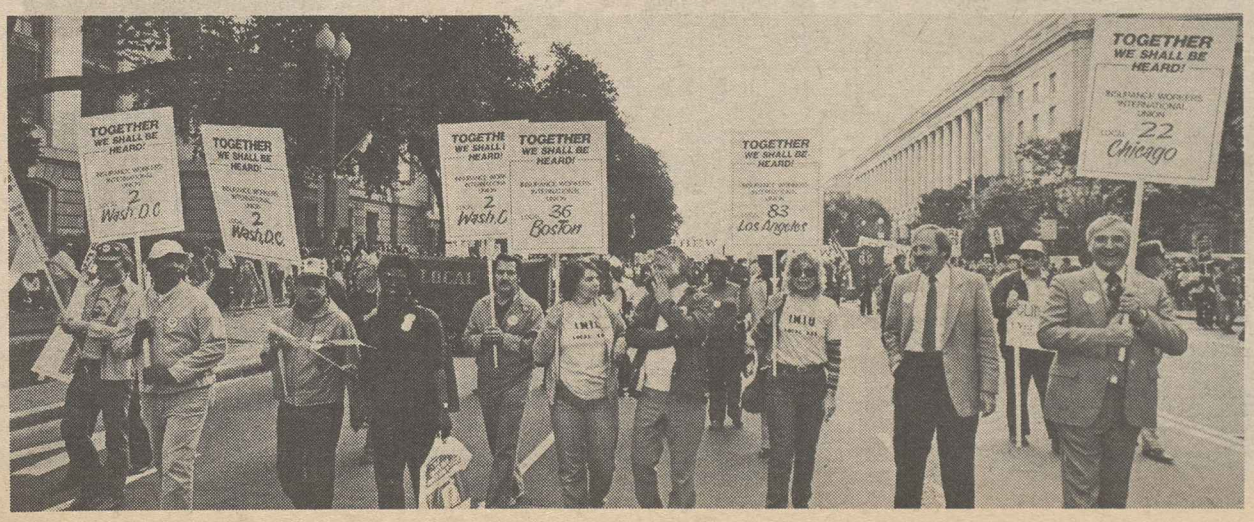



Amalgamated
Transit
Union
Our Mandate:
Lower
Interest
Rates




PRINTING SPECIALTIES & PAPER PRODUCTS UNION


METAL TRADES DEPT. AFL-CIO
OUR MANDATE:
OUR MANDATE: PROTECT SOCIAL SECURITY
ERA YES
ALUMINUM BRICK AND CLAY WORKERS INTERNATIONAL UNION
AFL-CIO


TOGETHER WE SHALL BE HEARD!
2 Wash. D.C.
36 Boston
83 Los Angeles
22 Chicago





SOLIDARITY DAY RALLIES in Denver, San Francisco, Los Angeles, and Lake Charles, La., protested Reagan Administration positions on social and economic issues just as strongly as the demonstration in the nation's capital. At left, Executive Sec.-Treas. William Robertson of the Los Angeles AFL-CIO addresses a crowd of 10,000 workers and their allies. In Denver, on the day before the Washington demonstration, President Robert F. Goss of the Oil, Chemical & Atomic Workers warned an audience of about 2,000 that Reagan's basic economic thrust is to take from the poor and give to the rich. The rally was organized to coincide with the Denver appearance of Reagan and Vice President Bush before the National Federation of Republican Women.

Message of Washington Protest Echoes at Rallies in Other Cities

As hundreds of thousands of Americans gathered in Washington to protest President Reagan's economic policies, smaller but no less enthusiastic Solidarity Day rallies were mounted in Colorado, Louisiana, and California.

The rallies were held to accommodate those at far distant points who wanted to attend the demonstration in the nation's capital but would not fly airways controlled by non-union personnel.

AT LOS ANGELES' MacArthur Park, Executive Sec.-Treas. William Robertson of the Los Angeles AFL-CIO told nearly 10,000 trade unionists and members of progressive organizations from throughout southern California:

"This Administration has to be stopped in its attempt to establish a new caste system with the elite at the top and the rest of us at the bottom.

"This is a call to arms. We can and we will muster all of the forces gathered here today, as well as additional allies, to create the political clout so essential if we are to regain the ground we lost in the 1980 election."

THE LARGEST of its kind in Los Angeles since the 1940s, the demonstration was a direct answer to the Administration's claim that labor leaders are out of step with the rank-and-file union membership.

Also speaking in Los Angeles were actresses Jessica Walter and Patty Duke Astin, and Sen. Alan Cranston (D-Calif.).

Colorado's version of Solidarity Day, held in Denver a day before the Washington demonstration, drew attention to the presence of Reagan and Vice President Bush who were in the city to address the National Federation of Republican Women.

"We felt that they ducked out of the demonstration in Washington," said Jack Easter of the Communications Workers, "so we decided to have one here."

CHANTING "Ronald Reagan's got to go, hey-hey, ho-ho," a line of marchers six blocks long wended its way to the Capitol, where a succession of speakers decried the Administration's anti-labor stance and economic policies.

Rep. Patricia Schroeder (D-Colo.) assailed Reagan programs which she said do nothing for women, workers or the poor. She wore a button reading "59¢," the average amount women are paid for every dollar men earn in comparable jobs.

Schroeder pointed out that 10 years ago 85 percent of working people could afford to buy a home but that today only 4 percent can. Reagan's economic policies won't change that, she said.

President Norman Pledger of the Colorado AFL-CIO told the crowd of 2,000 that the government badly handled the air traffic controllers' walkout last month. He called on the Administration to end its "punitive" measures against PATCO, and engage in contract negotiations.

In Louisiana, State AFL-CIO President Victor Bussie led a march to the steps of the Lake Charles civic center where he pledged:

"We're not letting Reagan destroy the union. We've stopped Dave Train, and we can stop Reagan." The reference was to last summer's unsuccessful attempt by Train, the state's first Republican governor in 100 years, to abolish Louisiana's prevailing wage law.

BUSSIE ALSO predicted that Reagan "will be one of the most effective union organizers we've ever had" before the battle over his budget cutbacks is over. Workers increasingly will seek union membership as the best way to counter Administration programs and policies harmful to their well-being, he said.

In San Francisco, an estimated 10,000 Solidarity Day demonstrators jammed Justin Herman Plaza at the foot of Market Street to spur on speakers who denounced the Administration's "take from the poor, give to the rich" domestic policies and called for unity to repulse Reagan's attacks on workers' rights.

Executive Sec.-Treas. John F. Henning of the California State AFL-CIO touched off a loud cheer when he announced the magnitude of the Washington demonstration.

"THAT'S THE greatest labor assemblage ever pulled together in the nation's capital in the history of the American trade-union movement," he declared.

Former Vice President Walter Mondale, the keynote speaker at the San Francisco rally, said that "the job we've got to do is to make clear the American opposition to the radical policies being pursued by the current Administration."

Mondale charged that the Reagan Administration is pursuing a policy of "the most radical opposition to organized labor of any Administration since Herbert Hoover. Even Eisenhower, Nixon, and Ford had decent relationships with the leaders of organized labor."

Other speakers at the rally included Farm Workers President Cesar Chavez, Rep. John L. Burton (D-Calif.), Sec.-Treas. John F. Crowley of the San Francisco Labor Council, and President James Herman of the unaffiliated Longshoremen & Warehousemen.

Those taking part in both the San Francisco and Los Angeles demonstrations included members of the Plumbers, Teachers, Farm Workers, Machinists, Service Employees, Air Traffic Controllers, Longshoremen as well as representatives of coalition organizations, including the National Organization for Women, the Congress of California Seniors, the NAACP, the National Council of Senior Citizens, the Union of American Hebrew Congregations, the National Urban League, and other minority groups.

'Unity' Forms Central Theme For Speakers

(Continued from Page 1)

have today and we promise you a lot more in the bye and bye.' Well, we aren't buying pie-in-the-sky economics," Jordan declared.

Jacob Clayman, head of the National Council of Senior Citizens, called the President's allegations that the social security system will go bankrupt "a propaganda hoax." He charged that the Administration's "true intent is to use the slashing of social security as a means to balance the White House budget. No balancing of the budget is worth that kind of economic and psychological violence to the lives of America's elderly."

UAW PRESIDENT Douglas Fraser scoffed at Reagan's pledge to build "a shining city on the hill." He warned that the Administration budget cuts scheduled to take effect on Oct. 1 will show people that "America has lost its heart, has lost its compassion, has lost its way." Fraser also blasted the Administration for "acting in an extreme and cruel fashion" in dealing with members of the Professional Air Traffic Controllers Organization who went out on strike last month for better wages and working conditions.

PATCO Local 291 President Steve Wallaert of Norfolk, Va., who was chained, shackled and jailed for leading his local in the strike, said he was angry at an Administration "that would not negotiate the issues important to my survival as a worker."

Wallaert thanked the AFL-CIO and the entire labor movement for their support of the walkout and said PATCO members are proud of their leader, Robert Poli, and would remain on strike until Poli told them to return to work.

"And you'll have our support until you go back to work," Donahue assured Wallaert.

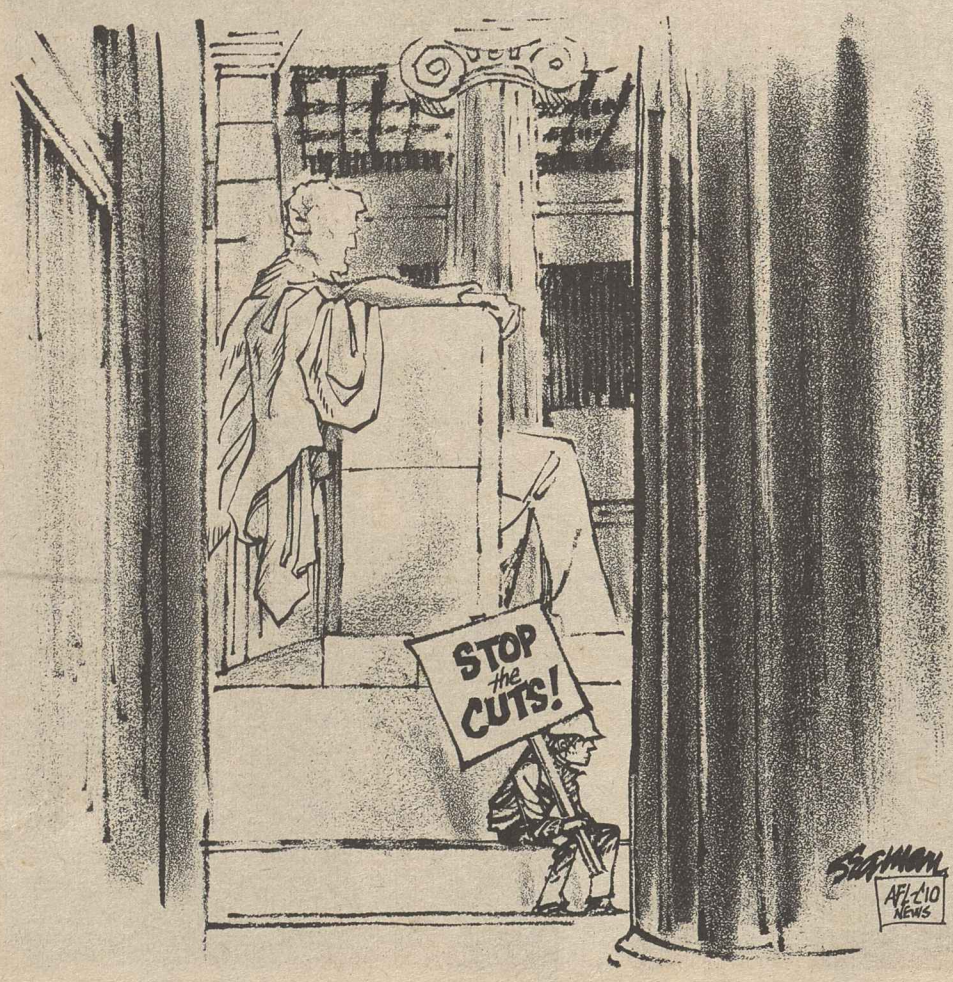
THE SOLIDARITY DAY speakers cautioned participants in the huge demonstration not to expect immediate, tangible results. They stressed, though, that in the long run Reagan and members of Congress would have to modify their stand toward the poor, the elderly, minorities, and the workers of America or face the voters' judgment at the ballot box.

The inspirational impact of the rally was deemed most important. "People take heart from events like this," Donahue said. And the remarkable show of unity would serve to "stiffen the spines of some of our friends on Capitol Hill," Douglas Fraser added.

Speakers acknowledged that the road on the drive to turn around Reagan economic policies would be rough. As President Jerry Wurf of the State, County & Municipal Employees summed up, "it's going to take everything you've got—plus."

"In spite of this marvelous turnout, there is no guarantee that we will succeed," said Wurf. "It is the beginning, just the beginning, of a very long and difficult process."

'Of the People, by the People, for the People . . .'



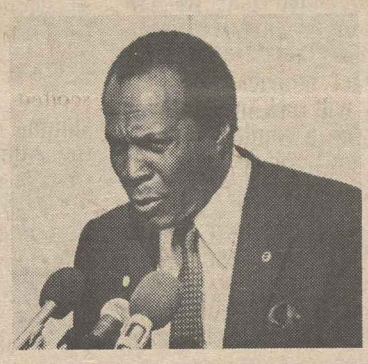

PENNSYLVANIA 33
GEORGIA
VIRGINIA
ERA YES
FAIR TAXES for All Americans
AFSCME
Don't Cut Social Security
LOC 7
TOLEDO OHIO



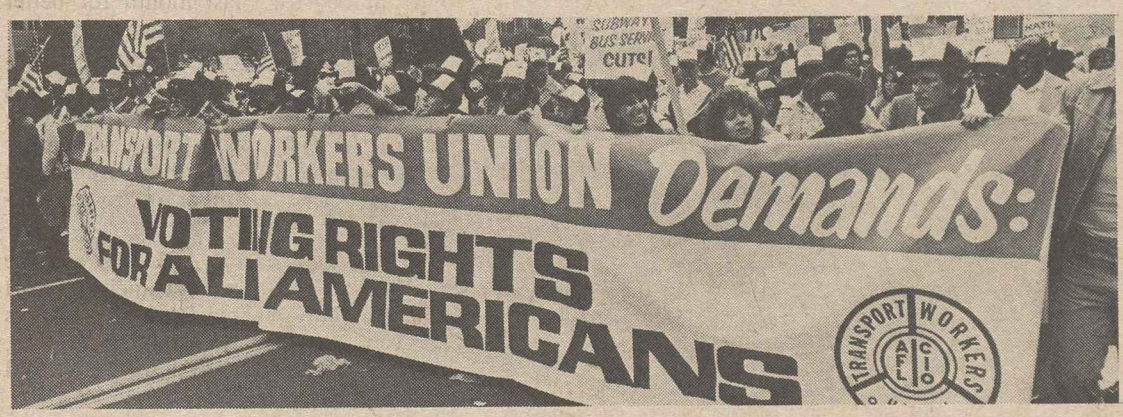

DISABLED CITIZENS SUPPORT
SOLIDARITY AGAINST
SOCIAL PROGRAM CUTS
ERA YES
RESPONSIBILITY FOR LIFE
DISABLED IN ACTION SAY NO TO REAGAN CUTBACKS


CARPENTERS District Council
CARPENTERS LOCAL 1354
Stick Together
SOLIDARITY
PITTSBURGH CARPENTERS
A Strong America
BUILT WITH U
LABOR

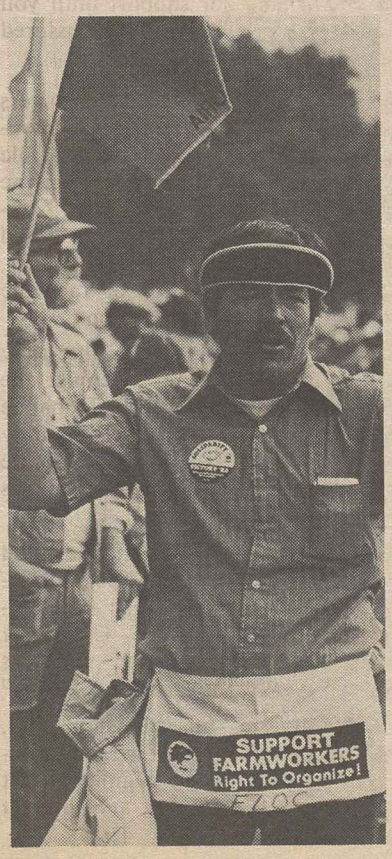





STEELWORKERS
L.U. 7335
WARREN, Ohio

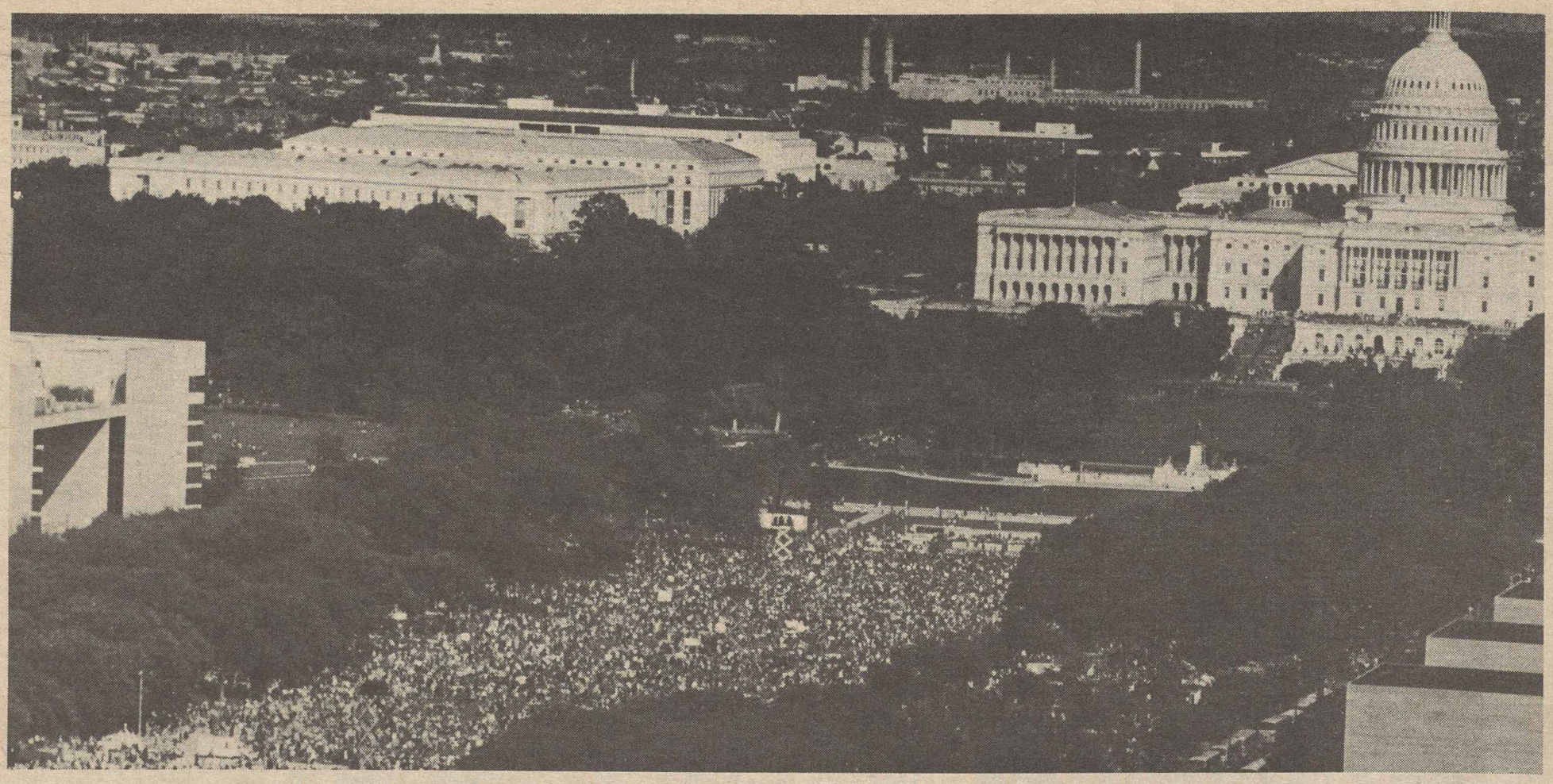

TRANSPORT WORKERS UNION Demands:
VOTING RIGHTS FOR ALL AMERICANS
TRANSPORT WORKERS AFL-CIO


SOLIDARITY


SUPPORT FARMWORKERS
Right To Organize!


EALTH
&
AFETY
BE A MODEL
SET A PATTERN
MANDATE
MY ASS





Solidarity Day Sends Strong Message

(Continued from Page 1)

starts singing Solidarity Forever. It's taken up quickly.

AT THE SUBWAY transfer point, more marshals are on hand to point people in the right direction and it's like a holiday crowd.

The assembly areas along the mall are like a fairground, with huge balloons and helium blimps as floating signposts. The IBEW is one of the unions that has set up tents and it has prepared 16,000 box lunches for its members.

In the entertainment area, it's union songs and folk songs, a local Irish group, the Ladies' Garment Workers Union Label Chorus. Some big name entertainers, union members themselves, could have been brought in. But to do so would have been to invite the speculation that the huge crowd really came to see or hear some popular star.

SO THE performers were not announced in advance and for the most part were people who have strummed guitars on picket lines and in union halls. Tom Herriman, whose more usual role is editing the newspaper of the Clothing & Textile Workers, gets a turn before a bigger audience than any but a handful of professional entertainers has ever faced.

Stevie Wonder, the blind singing idol of a generation, will march with the NAACP and his friend, Benjamin Hooks. But he's at Solidarity Day to join his voice in protest, not song.

Shortly after noon, police escorts and photo trucks take their place. An early banner of the American Federation of Labor, symbol of the labor federation's centennial, is in its case, wheeled to the head of the procession.

BEHIND THE ranks of organization leaders comes the city's finest high school marching bands.

And then, lined up from curb to curb, 20 or more abreast, are block after block of AFSCME members. The union won the leadoff honor by having the largest single contingent.

Some of the elderly and disabled are bused to the rally area at the Capitol, where members of Congress are welcome to listen but are not invited to speak.

THE SCHEDULE called for the program to be complete at 5 p.m. to meet bus and train departure schedules, and AFL-CIO Sec.-Treas. Thomas R. Donahue, who served as master of ceremonies, came astonishingly close to the goal.

Msgr. George G. Higgins gave the invocation, and most people in the audience had never heard a Father Higgins invocation before. They gave it a hearty round of applause, as a good speech deserves, which is something that a lot of union convention goers have often wanted to do.

The speeches were short enough so that people listened to them—in between craning their necks to get another look at the size of the gathering.

TELEVISION teams and reporters picked their way through the crowds, interviewing the people who, as Kirkland said, "have given up your family days of rest and spent long and tiring hours in buses, trains and cars, from every part of this land, as an act of devotion and testimony."

Solidarity Day Coordinator John Perkins was the walking command post, getting reports from 60 key staffers with walkie-talkies. Organization & Field Services Director Alan Kistler and Legislative Director Ray Denison had the best seats in the house earlier in the day, two cherry pickers near the Washington Monument grounds from which they made decisions on how to slot groups into the line of march.

As the program neared its close, a small group of Solidarity Day participants made their way to the fenced-in speakers' area carrying a large carton. They had taken up a collection for the PATCO Family Fund, to help the families of striking air traffic controllers. Where could they leave the money, they asked the white-capped Seafarers security guard.

The Rev. Robert L. Pruitt, from a local AME church, gave the moving benediction to an historic day.

"EACH OF YOU take your neighbor by the hand," he enjoined, and white hands and black hands and brown hands clasped.

"May our society of solidarity not be temporary," he urged, asking blessings for the millions who work "and the millions who want to work."

"Yes, Lord," a voice in the crowd urged. "Please, Lord."

"Go forth with courage," the Rev. Pruitt concluded.

And then as the crowd followed the signs to the subway station nearest them, George Shirley, the Metropolitan Opera singer joined Bayard Rustin, the architect of the civil rights March on Washington 18 years ago, in singing Solidarity Forever. And then, lest we forget, the stirring "We Shall Overcome."

So ended Solidarity Day.

Workers Raise Their Voices High

A Boilermaker from Louisiana thought he knew what brought most people out for Solidarity Day: "People just do not like what is happening with Reagan. It's everything for the rich man and nothing for the working man. I don't think that's what they expected when they voted for Reagan, but that's what they got."

The same thought was on other people's minds. A member of the Allied Industrial Workers from Muscle Shoals, Ala., remarked that "people voted for a change in the last election, but we wanted to go forward, not backward."

A SERVICE EMPLOYEES' member, Judy Haddon, who had driven with 12 others in a van from Cleveland, said she was trying to raise three children, alone, on $15,000 a year. "I can't save anything," she said, "and now Reagan's putting the financial pressure on us."

One demonstrator, hands stuffed in his jacket pockets while the wind kicked up, answered the question about why he was here, by unzipping the coat to reveal an "I Support PATCO" T-shirt.

"We got sold out," Thomas Ramsey, a sugar worker from Florida, insisted, and a Laborer from Jacksonville, Fla., complained: "He said he wouldn't touch social security, but now they want to cut that. But they won't touch defense."

A MACHINIST came to the march, "because I'm probably the only damn liberal in Sheffield, Ala.," and a Carpenter from Clarksville, Ind., ticked off "OSHA, Davis-Bacon cuts" as his motivation.

Members of the Clothing & Textile Workers from Johnstown, Pa., "drove all night to get here. We wouldn't have missed this for anything. It's great the way people feel united."

Chuck Wilkinson, a Washington, D.C., Ironworker, pointed to the White House. "If he won't listen," he said, turning to point toward the Capitol, "then they will."

With signs like a Musician's "Brahms Not Bombs," and "Cement Masons Stick Together, Baltimore Local 43," many let their signs do their talking.

DISABLED CITIZENS called out "Cut Curbs, Not Budgets." Teachers, protesting cuts in the school lunch program which include an Administration claim that condiments can be considered vegetables, said "Sorry Kids, No Lunch Today," and "Let 'Em Eat Ketchup."

"Reaganomics — Welfare for Wall Street" read a banner strung the length of a bus. There was even a UAW frisbee with the slogan "Buy American." A Plumber from Beaumont, Tex., said, "Don't Bust the Unions."

Signs for "Jobs Not Jellybeans" mingled with "Down with Bonzo Economics," "Support the PATCO Strikers" and "ERA Now." A Communications Worker stuck a picket sign, "Mr. Reagan . . . Here's Your Mandate" in the back of his jeans with a large downward pointing arrow in case anyone missed the point.

There were signs in Spanish and at least one in Chinese.

"I'M ANGRY and disappointed," New Jersey Carpenter John Laden said. "This is America. This government is supposed to represent the people back home. They're trying to put the working man down. They're trying to make this a different kind of country."

Mildred Donahue, a school librarian from Orange, Conn., said she wanted to make the point "that this Administration doesn't have a mandate for what they're doing. Ronald Reagan made me come here."

Kate McClure of Bethesda, Md., thanked the AFL-CIO and its allies for organizing the "opportunity to stand with others in support of labor and for social justice. It has been a lonely time for many of us. We needed the chance to come together."

Additional Copies Of News Available

Extra copies of this issue of the AFL-CIO News, with its special pictorial account of Solidarity Day, are available to anyone who participated in the demonstrtion, or to anyone who would simply like an additional copy.

Requests should be sent to Pamphlet Division, Dept. of Information, 815-16th St., N.W., Washington, D.C. 20006.

18/92/6

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Kirkland's Message Stirs Solidarity Congress

AFL-CIO News

Vol. XXVI 3 Saturday, October 3, 1981 No. 40

By James M. Shevis

Solidarity, the year-old Polish labor federation, has brought hope and a sense of renewal not just to Polish society but to workers throughout the world, AFL-CIO President Lane Kirkland declared in a message to the second session of Solidarity's national congress in Gdansk.

Kirkland, who was to have delivered a speech at the convention but was denied a visa by the communist government of Poland, conveyed fraternal greetings and the "deep admiration" of the AFL-CIO's 15-million members to the delegates for creating the first genuinely free labor unions in Soviet-dominated Eastern Europe.

"YOU HAVE transformed the word 'solidarity' from a slogan to a living moral force that has galvanized the universal cause of free and independent trade unionism," Kirkland said. His remarks were distributed at the convention by Monsignor George G. Higgins of Catholic University, former director of the U.S. Catholic Conference's Social Concerns Dept., who attended the congress as a fraternal delegate. **(Text, Page 5.)**

In his speech, which was interrupted by applause repeatedly as it was read to the Congress, Kirkland described Solidarity as the sole "authentic voice" of Polish workers and noted that the nearly 900 delegates "confront many difficult, even momentous, questions." The AFL-CIO "would not presume to advise you on the direction you should take," he said, adding: "You alone understand the needs of Poland's workers.

"Let Poland's history be made by Poles," he said. "To Solidarity, to the workers of Poland, we pledge—in the words of an old American labor song—solidarity forever."

KIRKLAND MADE no reference in his speech to the Polish government's denial of visas for him and the AFL-CIO delegation, but said in a separate statement that the American labor movement

(Continued on Page 6)



REJECTION OF President Reagan's nomination of John R. Van de Water as chairman of the National Labor Relations Board was urged by AFL-CIO Sec.-Treas. Thomas Donahue in testimony before the Senate Labor & Human Resources Committee. Donahue said that Van de Water's record as a management consultant makes him an unsuitable candidate for NLRB membership. Seated with Donahue is Legislative Director Ray Denison.

Management 'Partisan' Opposed as NLRB Chief

The AFL-CIO urged the Senate to reject the nomination of John R. Van de Water as chairman of the National Labor Relations Board because of his "active and partisan role on the management side" of employer-union disputes during much of his career.

"The NLRB's institutional integrity is best served by consistent application of the rule that no one should be appointed to the board from the ranks of management or labor," Federation Sec.-Treas. Thomas R. Donahue asserted in a confirmation hearing on Van de Water's appointment conducted by the Senate Labor & Human Resources Committee.

"One side's armorer should not make or enforce the rules governing both sides in the ensuing contest," said Donahue.

VAN DE WATER, 64, headed his own California management consulting firm, Van de Water Associates, from 1949 until his recent appointment by President Reagan in August. Donahue told the Senate committee chaired by Sen. Orrin Hatch (R-Utah) that records of the AFL-CIO Los Angeles-Orange County Organizing Committee for 1963-1972 showed that at least during that period Van de Water's firm served as management consultants to numerous employers who actively opposed their employees' attempts to organize.

"The role of such consultants," Donahue observed, "is to denigrate unions and collective bargaining and to play on the insecurity bred by what the Congress and the Supreme Court have recognized is the central aspects of 'the labor relations setting—the economic dependence of the employees on their employers.' "

HE SAID the question for the committee and the Senate is whether it is proper to appoint as chairman of the quasi-judicial agency charged with running representation elections and with judging the legality of the conduct of the parties "a man who has devoted a substantial part of his professional career to putting together anti-union campaigns and anti-union materials."

No one should be appointed to the board from the ranks of labor or management, Donahue said, since its members are all supposed to represent the general public and not the special viewpoint of either side. This, he said, has been the AFL-CIO's consistent position down through the years.

(Continued on Page 7)

Sag in Economy Reflects Impact Of Tight Money

The nation's economy continued to sag under the weight of oppressively high interest rates, which have made money and credit hard to come by and kept thousands of Americans from buying homes and automobiles.

The Commerce Dept. reported that the government's index of leading indicators dropped five-tenths of 1 percent in August after an increase of a modest four-tenths of 1 percent in July and declines of 1 percent in June and 1.6 percent in May.

IN ANOTHER report, the Commerce Dept. said real gross national product—the value of the nation's total output of goods and services—fell at a seasonally adjusted 1.6 percent annual rate in the second quarter.

(Continued on Page 2)

Congress Pressed To Bar Reagan's New Budget Cuts

AFL-CIO President Lane Kirkland urged Congress to reject President Reagan's newest proposed federal budget cuts, which Kirkland said can be traced to "miscalculations made by this Administration only a month ago."

"At that time, Congress gave the President everything he asked for—and more. Despite promises made then, he is now back seeking deeper cuts in the already badly reduced programs so vital to the American people."

KIRKLAND'S criticism of the second round of cuts came in a statement issued after Reagan's Sept. 24 TV address.

At the same time, Kirkland cited an alternative approach which would regain $16 billion in lost federal revenues without continuing the trend of taking care only of those at the top of the economic ladder "and not by punishing the weak or creating new hardships."

A $700 cap on the proposed individual tax cut for 1982 would alone return $9 billion to the U.S. Treasury, Kirkland noted. Another $1.3 billion is available from postponing oil company and oil royalty-owner tax breaks, and $6 billion could be gained by returning the business investment tax credit to 7 percent—especially now that the depreciation changes made earlier are going to leave many firms with a negative tax rate, anyway.

IN CRITICIZING Reagan's latest budget proposal, Kirkland had more company than earlier in the year—and, for the first time, some of it was coming from the President's own party.

Northern and northeastern Republicans were stung by Reagan's televised attempt to attribute the likely budget deficits to congressional tinkering with his original budget and tax proposals. Some House Republicans, whom the press has termed the "gypsy moths," began to perceive the damage to their districts by the harsh budget cuts and pull away from the rubber stamp they had given Reagan earlier.

THUS, EIGHT months after the inaugural, the Reagan Administration's plans for the four-pronged attack on taxes, budget, federal regulation and tight monetary restraints were more dependent than ever on the coalition it has struck with the most conservative of southern Democrats.

Kirkland pointed out that much of what has gone wrong with the Reagan budget—troubles the AFL-CIO had predicted as early as February—could be corrected if elected officials were willing "to recognize a mistake and take corrective action."

Kirkland also issued a stern warning that while Reagan seemed to back away from social security cuts in his televised speech, "nevertheless, a careful reading of his speech shows that he made no promise to preserve benefits to anyone who is not yet receiving social security benefits."

PUTTING THE best possible political face on his social security proposals, Reagan had told the nation "our feet were never embedded in concrete on this proposal" and, later on, "I therefore am asking for restoration of the minimum payment and for inter-fund borrowing as a temporary measure to give us time to seek a permanent solution."

The President then announced plans to form an executive-legislative task force on social security, with 10 members named by him and the Senate majority leader, Howard Baker of Tennessee, and five by House Speaker Thomas P. O'Neill.

(Continued on Page 3)

Labor Condemns Campaign To Hamstring Safety Law

By John R. Oravec

The Reagan Administration is pursuing a callous campaign to wipe out basic worker protections of the federal job safety law, the AFL-CIO charged at congressional oversight hearings.

"For the past six months, we have seen attempts to undermine, erode and dismantle OSHA through the circuitous route of administratively cutting away OSHA's principal underpinnings," Legislative Director Ray Denison declared in a statement to a Senate Labor subcommittee.

"APPARENTLY, strangulation in the closet of a government agency by deregulation and disaffirmation is the chosen means of silently disposing of what is seen as a troublesome burden," Denison observed.

He cited cutbacks in enforcement and attacks on worker and union rights as well as a systematic rollback in OSHA standards in the name of cost-efficiency.

Other major concerns of the federation are over the Administration's relaxation of compliance actions, reductions in OSHA's enforcement staff and a return to ineffective state plans, Denison said.

"THERE ARE NO indications that the Reagan Administration intends to maintain an active enforcement program," he observed. "Indeed, one of the agency's fiscal year 1983 budget documents reveals a deliberate plan to cut the OSHA enforcement efforts to pre-1975 levels, reducing the staff from its 1980 high of 1,697 inspectors to just 983."

(Continued on Page 2)

Labor Blasts 'Callous' Bid To Gut OSHA

(Continued from Page 1)

Denison charged that a series of OSHA draft directives proposed in July to gut enforcement programs are contrary to the intent of the 1970 job safety and health law.

"Also illegal is the proposed directive which eliminates penalties for any employer who abates serious or other serious violations," he said.

DENISON ALSO assailed a Sept. 18 directive by Assistant Labor Sec. Thorne G. Auchter that would set up a loose targeting system for general schedule safety inspections in the manufacturing sector.

Linking the directive to a provision of the labor-opposed Schweiker OSHA reform bill of 1980, Denison branded it "an ill-conceived" scheme that would remove some 12.9 million workers from basic OSHA coverage and give "notice to most employers that the threat of an OSHA inspection is no longer a reality."

The federation also cited a rollback in programs ordered by Auchter, head of OSHA, which had been initiated during the Carter Administration. These include actions to revoke "walkaround" pay for workers and their representatives who accompany compliance officers on OSHA inspections, the weakening of a hearing conservation program, and withdrawal of a proposal to guarantee workers the right to know the kind of hazardous substances they handle on the job.

DENISON TOLD the panel that a major concern of the AFL-CIO is that since February, "labor unions have been virtually excluded from deliberations on changes in key OSHA policies."

Denison outlined a number of AFL-CIO recommendations for improvement of the federal program:

- Maintenance and expansion of a well-trained and experienced compliance staff to assure strict enforcement of standards.
- Development of an inspection target system based on injury and illness data.
- Implementation of a right-to-know standard dealing with hazardous substances and in conformity with Supreme Court decisions on cotton dust and benzene.
- Assurance of full worker rights under the law on inspections and implementation of regulations.
- Development of effective program evaluation methods.
- Better use of advisory committees having worker representation.
- Continuation and expansion of funding for job safety training and education.

DENISON pointed out that for the past decade the AFL-CIO has supported and defended the job safety law and its effective enforcement. He warned that the federation would fight very attempt to roll back protections.

His testimony was delivered by Margaret Seminario, of the AFL-CIO Dept. of Occupational Safety & Health. She was accompanied by Legislative Rep. Jay Power, George Smith of the International Brotherhood of Electrical Workers, Eric Frumin of the Clothing & Textile Workers and John J. Sheehan of the Steelworkers.

Paperworkers Counsel Warren Woods Dies

Warren Woods, general counsel to the Paperworkers and senior partner of a Washington law firm, died Sept. 23 of an aneurysm at George Washington University Hospital. He was 67.

Woods served as a regional attorney for the National Labor Relations Board in the late 1930s and 1940s before joining the War Labor Board. He entered private practice in 1946.

Survivors include his wife Jane and a daughter Jennifer. The family suggests expressions of sympathy be in the form to contributions to the George Meany Center for Labor Studies.



SAN FRANCISCO'S Justin Herman Plaza is jammed with an estimated 10,000 persons for a Solidarity Day demonstration to protest Reagan Administration economic policies and slashes in vital social programs. Similar protests were held in Los Angeles and Denver while more than 400,000 brought their protest to the National Mall in Washington. The San Francisco demonstration was jointly sponsored by the City Labor Council and the California AFL-CIO.

Impressive Solidarity Day Turnout Continues to Draw Wide Acclaim

By Susan L. Dunlop

The massive turnout of working Americans at the Sept. 19 Solidarity Day rally in Washington continues to impress the news media while drawing high praise from individuals and organizations.

News stories filed following the demonstration that drew over 400,000 people to the National Mall pointed particularly to the diversity of people who took part in the day-long protest against the Reagan Administration's social and economic policies. Several stories saw the demonstration, led by the AFL-CIO with the support of some 200 allied organizations, as an indicator of growing public concern over the direction of the Administration's policies.

THE NEW YORK TIMES, in an editorial, said the Solidarity Day rally was held on the same ground that had seen many political demonstrations in the past 20 years, " but never before has the popular army been so diverse, so mature, and so dominated by middle-class working people."

Solidarity Day demonstrators "wanted to present what they hope is a new, united front against the Administration's massive social service program cuts, and against what they see as threats to worker safety and prevailing wage laws," the Louisville, Ky. Courier-Journal observed.

The Miami Herald called the march "a broad slice of America," and the Bridgeport, Conn., Sunday Post, said the large number of union members from the state who participated "came to let the country hear loud and clear that they, at least, aren't happy with the economic policies of President Reagan."

AMONG THE letters received by the AFL-CIO in support of the goals of Solidarity Day was one from Esther McGhinnis of Huntsville, Mo.

"As a mother of a Professional Air Traffic Controller and the wife of an IBEW member, I wish to congratulate you on the organization and success of Solidarity Day. I think it is one of the biggest steps forward the working class has achieved since the beginning of the Reagan Administration," Mrs. McGhinnis said.

Ronald K. Ikejiri, Washington representative of the Japanese American Citizens League, called the demonstration "the first step toward regaining hope in ourselves and our country."

ELEANOR L. GUERCI, of Eatontown, N.J., in a letter to AFL-CIO President Lane Kirkland, said, "As a slightly more than middle-aged teacher, who had never gone to a large rally before, I must confess I had some apprehension about participating. I was proud to be there, and I have nothing but praise for your efficient staff."

Another New Jersey teacher, John A. Molloy, field worker for the New Jersey Education Association, said that "if our collective roar failed to penetrate the walls of the White House, it was certainly heard in the corridors of Congress where perhaps sanity will return. I have a suspicion, though, that the solitude of Camp David was disturbed a bit by our voices."

Mary Morris of Old Greenwich, Conn., wrote that "as a trade unionist since the '30s, I applaud Solidarity Day with all my heart. I only wish I could have been there but I am too disabled."

MORRIS, an editor of the Harper Dictionary of Contemporary Usage, said, "I am frightened by the losses which Reagan would impose upon us. We have worked too hard and too long to give up what we now have. The inhumanity of this Administration is enough to enrage a saint."

Tony Lombardo, president of Musicians Local 402, Hastings-on-Hudson, N.Y., said, "I am thrilled with what we accomplished on Solidarity Day. I am only 72 years old, but I have never been so active."

AFSCME member Bernard Aronowitz of the Bronx, N.Y., praised the rally as "the most thrilling, inspiring and effective demonstration I ever had the privilege to attend."

SOME SOLIDARITY DAY supporters sent messages to President Reagan and members of Congress and copies to the AFL-CIO.

Rev. Dorothy M. Field, chairperson of the Commission on Social Concerns of the Eastern Pennsylvania Conference of the United Methodist Church, told the President her organization was "saddened that either you fail to see or choose to ignore the enormous human pain your policies are inflicting on a very large number of Americans."

Rev. Field, who was joined in signing the letter by the commission's secretary, Rev. Thomas W. Bare, asked President Reagan to accept the letter "as notificathat we side with the persons of Solidarity who this day in Washington are lifting their voices against the 'profits above all else' emphasis of your economic policies and who are urging a revision of your Administration's policies so as to serve the safety, health and well-being of all Americans."

Slumping Economy Reflects Impact of High Interest Rates

(Continued from Page 1)

The government's revised estimate of real GNP in the second quarter showed a more moderate shrinkage than the previously reported 2.4 percent annual rate of decline. In the first three months of the year, the economy grew at an 8.6 percent annual rate.

The report on the leading economic indicators for August showed that the 10 indicators that were available were split evenly between favorable and unfavorable signs. Negative implications for the economy were found in the layoff rate, new orders adjusted for inflation, contracts and orders for plants and equipment, building permits, and changes in raw material prices.

POSITIVE indicators were the average workweek, the pace of deliveries, stock prices, liquid assets, and money supply adjusted for inflation.

Hardest hit by the Federal Reserve Board's tight-money policies, the housing industry reeled in August as the number of new housing starts plunged 10.7 percent to a seasonally adjusted annual rate of 937,000, the lowest level in over five years. The August figure was the third lowest monthly level since World War II, and the first time this year that housing starts dropped below 1 million units.

Building permits for new housing also were down in August. The government said permits for new starts totaled 863,000, or 5.5 percent below the July permits rate of 913,000.

ALL MAJOR geographic regions felt the cut in housing starts, but the Northeast was hit much more sharply than any other area, with starts down 34.2 percent.

Michael Sumichrast, chief economist for the National Association of Home Builders, predicted further sharp declines in the months ahead. "The bottom is still to come," he warned.

Another government report, issued by the Federal Reserve Board, showed that the nation's factories last month operated at 79.3 percent of capacity, down from July's level of 79.8 percent. The August level was the lowest factory operating rate since October 1980. The capacity utilization rate for the motor vehicle and parts industry fell sharply, while the rate declined more moderately for the food, textiles, rubber, metals and equipment industries, the Fed reported.

Separately, the Commerce Dept. said new factory orders for durable goods declined in August for the first time since January.

At Transit Union Convention

Labor Held Key Force For Defense of Rights

Hollywood, Fla.—AFL-CIO President Lane Kirkland declared that organized labor must form "the center line of defense against the naked assault on the rights and welfare of ordinary people" that marks the policies and programs of the Reagan Administration.

In a speech before the 46th biennial convention of the Amalgamated Transit Union here, Kirkland said labor's task in the months and years ahead is "to rally the American people in the fight to restore human concerns to the business of government."

HE SAID he believes the majority of Americans are awakening to the "vast differences" between President Reagan's "self-proclaimed mandate won in his campaign" and the realities of his programs.

"The President did not campaign among senior citizens for cutting social security, among parents for poorer schools or among construction workers for lower pay," Kirkland said. "Nor did he campaign among workers with promises of higher and higher interest rates, fewer jobs, less concern for occupational health and safety, and of more tax giveaways to corporations and the wealthy."

He said that basic issues such as a worker's right to freedom of association and to bargain collectively are in jeopardy if the Administration has its way and cited the Air Traffic Controllers' situation as an example.

"IF EVER the weight and power of government has been piled on the backs of human beings, it is the Administration's assault on PATCO. How ironic that those who talk so sanctimoniously of getting off our backs should rush to use the might and majesty of government to crush the legitimate claims of workers who are seeking a fair shake from their employer," he observed.

Furthermore, Kirkland pointed out, the Administration energetically supports compulsory open-shop laws, court injunctions and all of the other government restrictions on the activities of workers and their unions.

He told the 526 delegates that labor is not only willing but also able to take on the challenge being posed by the anti-worker forces. He cited the labor-sponsored Solidarity Day rally Sept. 19 in Washington, attended by more than 400,000 trade unionists and other concerned citizens as evidence that the American people are getting fed up with Reagan policies.

"THESE HUNDREDS of thousands of workers and their allies sent two powerful messages to the Administration and Congress on that day," Kirkland said. "One is that the American labor movement is alive and well. Only the deaf and blind can contend American labor is out of step with the rank-and-file. Union members are their union. Second, the labor movement is not alone. The links forged on Solidarity Day will be strengthened all across the land in the days to come."

Kirkland's views were echoed in an early session of the convention by Sen. Don Riegle (D-Mich.), who called for the government to develop a "fair standard across the land for all people."

Riegle said the Reagan Administration doesn't understand the needs and concerns of America's workers, and he urged the labor movement to help "take this country back from the phony ideologues" presently running it.

"IF WE DON'T fight and get it back, all gains made by workers over the past decades will be stripped away one by one," he said. "We must no longer be misled by the friendly mask put on the Reagan policies."

Other convention speakers dwelt on the effects the Reagan policies are having in areas of their particular interests. Among them were Rep. Claude Pepper (D-Fla.) and William Hutton, executive director of the National Council of Senior Citizens, who spoke on problems confronting the elderly, and Norman Hill, president of the A. Philip Randolph Institute, who cited the effects on minorities.



ORGANIZED LABOR must play a prime role in the battle against the blatant attacks of the Reagan Administration on vital social programs, AFL-CIO President Lane Kirkland told Transit Union convention delegates in Hollywood, Fla.

Union Charges Unfair Tactics In Stevens Vote

New York—The Clothing & Textile Workers charged J. P. Stevens & Co. with illegal acts during the recent representation election at Stevens's Rock Hill, S.C., plant.

ACTWU accused the company of unlawfully firing a union supporter at the plant "because of her membership in and/or activities in behalf" of the union during the organizing campaign.

In election objections filed with the National Labor Relations Board, the union also claimed that Stevens threatened to fire workers if they engaged in a strike, illegally questioned employees about their union beliefs and sympathies, made payments to laid-off employees to influence their votes and spent "inordinate sums of money" on employees during the campaign.

These and other actions "destroyed the laboratory conditions required for the conduct of a valid NLRB election," ACTWU said.

The union lost the Aug. 27 election by a vote of 433 to 299. It was the first election since the giant textile manufacturer agreed to sign its first labor contracts with ACTWU last October, following a 17-year battle to get Stevens to negotiate with the union.

Senate Panel Acts to Revive Social Security Minimum

The Senate Finance committee voted unanimously to restore the minimum social security benefit for most present recipients but sought to balance the cost of this move by cutting back benefits in other areas.

At the same time, the panel took a long step toward solving the immediate financial difficulties of the system by approving the reallocation of social security tax revenues among the various trust funds along with inter-fund borrowing in future emergencies.

A DAY AFTER the committee's 19-0 vote, President Reagan announced he was abandoning his insistence on elimination of the minimum benefit, which was scuttled earlier this year as part of the big budget cutback, and his opposition to inter-fund borrowing to solve short-term shortages in the retirement fund.

Reagan made the announcement in his televised speech calling for a new round of budget cuts to bring the projected federal deficit for fiscal 1982 closer to his target. He also proposed creation of a 15-member task force to devise a permanent solution to social security funding needs.

A FULL Senate vote on the Finance committee's bill was delayed at the insistence of the Democratic leadership, to permit participation in the debate by a number of absent members. The bill was to be taken up as a substitute for a House-passed measure that would simply restore the minimum benefit for present and future recipients without further restrictions.

Under the Finance Committee bill, those currently eligible for the $122 minimum monthly benefit would continue to receive it in full unless they were also receiving a government pension of more than $300 a month or lived outside the United States, Puerto Rico or U.S. territories.

THE BENEFIT would not be payable to future retirees meeting present standards or to present recipients living abroad. Retired government workers would have their minimum social security benefit offset dollar-for-dollar by the amount their government pensions exceeded $300 a month, except that they would remain eligible for the amount of social security benefits actually "earned" through payroll contributions on non-government employment.

To offset the cost of this partial restoration, the committee bill would subject sick pay to full social security taxes and limit benefits for a family to 150 percent of the basic benefit in both retirement and survivor cases.

On financing of the system, the committee called for reallocating the payroll tax distribution from the healthier disability and hospital insurance funds to the retirement and survivors insurance fund. This is expected to keep the retirement fund solvent at least through 1984 and possibly longer if the economy improves. If cash-flow problems persist, borrowing by the retirement fund from the disability fund would be authorized.

In other congressional developments:

- The House Appropriations Committee and a Senate Appropriations subcommittee both voted to bar the expenditure of any funds to move the National Institute for Occupational Safety & Health and its personnel from the present NIOSH headquarters in the Washington area to Atlanta and Cincinnati.

THE MOVE HAS been vigorously opposed by the AFL-CIO and the American Federation of Government Employees, which represents the NIOSH staff, on the ground that it would be harmful to the agency's role to and would lead to the loss of many of the agency's highly qualified staff members unable to make the transfer.

- Congress approved a stopgap funding bill to permit federal agencies to continue operating at present spending levels through Nov. 20 pending action on regular appropriations measures.

THE BILL also contains provisions that would mean virtually automatic increases in the salaries of House and Senate members by linking them in the future to the annual salary raises for federal white collar workers.

Other parts of the bill remove the $25,000 ceiling on outside earnings of senators, mostly from speeches, and the $3,000 ceiling on tax deductions members of Congress are allowed for the cost of living away from home.

Kirkland Hits Reagan Bid for More Cuts

(Continued from Page 1)

Kirkland characterized the Reagan social security changes as something on which "Americans of all ages should not be misled." The original changes were prompted by "paper budget-balancing" rather than concern for the soundness of the system, Kirkland noted, and were accompanied by the drumbeat of propaganda that the system was "bankrupt."

"HE INSTEAD now supports modest changes that many experts had been urging," Kirkland noted, while the task force concept may delay the battle for more than a year—or beyond the 1982 elections.

On the proposed cuts Kirkland asked Congress to reject, he observed that "the President's 12-percent cut sounds easy and impersonal, but in real terms it means sharp additional reductions in child care, school programs, care for the disabled, student loans, jobless worker aid and many other programs that he chose not to specify."

"No social program, regardless of merit, remains untouched and no beleaguered American, no matter how needy, is safe. Once again the less fortunate will be forced to bear the burden," Kirkland said.

IN CONTRAST, Kirkland said the AFL-CIO proposal to gain $16 billion from the excessive tax breaks earlier given the wealthy and corporations would be "an equitable and effective way to achieve the $16 billion sought and avoid adding to the present budgetary pain."

In a fact sheet released with his statement, the AFL-CIO described a plan in which the bulk of the money comes from the $700 cap on individual cuts.

Under that plan, the tax break would remain the same for a family earning $42,000 a year or less, with the cap applying over that income level. For example, a family with a $45,000 income would get a tax cut of $700 instead of $793.

"THE REAGAN three-year rate schedule could remain in effect, but a one-year cap of $700 per taxpayer would be an equitable way to meet the Administration's self-created budget problems," the AFL-CIO said.

The flurry of action over Reagan's "second-round" of budget cuts came just a week before the Oct. 1 effective date of the tax and budget changes enacted earlier in 1981. On that date, about 25 percent of revenue-sharing with the states was dropped, 875,000 people became ineligible for food stamps, student loan interest rates jumped and some 400,000 welfare families had their benefits cut wholly and another 279,000 in part.

Undermining OSHA

LAST YEAR we appeared before the full Senate Committee on Labor & Human Resources to oppose amendments offered by then Sen. Richard Schweiker to the Occupational Safety & Health Act. Today we appear to convey our strongest opposition to the manner in which the Act is being administered under the policies of President Reagan, the Secretary of Labor and his assistant for occupational safety and health.

Underlying today's testimony is the abiding conviction of organized labor that the right to a safe and healthful workplace is as basic a right as any of our freedoms. The Bill of Rights is not predicated on cost-benefit, or cost-efficiency analysis, or that its protections should be made available only to some, but not to all who are employed in establishments covered by the Act.

The Act was created 10 years ago by Congress for the fullest protection of all workers in covered establishments, not just some categories defined by occupation, by number of employees in a workplace, or by an arbitrary determination that some workplaces are more hazardous than others and that these are therefore entitled to all available rights and protections of the Act while others falling outside these sacred circles are entitled to nothing.

WE BELIEVE OSHA should reinforce a principle as old as the Republic—equal protection under the law.

Unfortunately, that principle is finding no advocates in the Reagan Administration in the conduct of OSHA. For the past six months we have seen attempts to undermine, erode and dismantle OSHA through the circuitous route of administratively cutting away OSHA's principal underpinnings.

For example, thus far we have seen: final and proposed actions to wipe out OSHA's enforcement program through a system of exemptions, relaxation of compliance actions, reduction in enforcement staff and a return to ineffective state plans; an attack on worker and worker representative rights; and a systematic rollback in worker health and safety standards in the name of cost-efficiency.

Organized labor will no more accept these efforts to squeeze the life from OSHA than we have accepted those efforts in past years.

IT IS TRULY unfortunate that this Administration has chosen to gnaw away at the foundations of OSHA. President Reagan said only last Saturday, on Solidarity Day, that "as we progress, more and more working people will see they have a friend in the White House." And Secretary of Labor Donovan said earlier that his job is to look to the concerns and needs of all American workers, not union members alone.

Surely, they do not believe that choking to death a law that protects all workers, without regard to whether they are union members or not, whether they are men or women, or of whatever ethnic background, honors either of their statements.

It is our belief that it is the proper role of government to do what its citizens cannot do alone. That's what OSHA is meant to do.

—From AFL-CIO testimony, Sept. 23, 1981.

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THOMAS R. DONAHUE, *Secretary-Treasurer*

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'And Another Pinch of This...!'



'Folks Back Home' Hurting

Poison of High Interest Rates Spreads Through the Economy

By Gus Tyler

OVER THE LAST two weeks, noises have been issuing from Washington complaining about "high interest rates."

Why now?

Interest rates have been climbing steadily ever since 1969 when President Nixon decided that the way to check inflation—then running at 4 percent—was to "cool the economy." The medicine to bring down the fever was "high interest rates."

IT BECAME crystal clear—to use a Nixonian phrase—that high interest rates, "cooling the economy," were throwing people out of work and, instead of pulling prices down, were pushing them up.

I do not say this in hindsight. On July 24, 1974, I wrote a column on high interest rates and said: "The present Administration in Washington started applying this cure several years ago when prices were rising by only 4 percent a year. That cure is killing us."

I went on to say that the rates were not only pushing prices up but were knocking small businessmen down, "driven out of business by the intolerable interest rates."

ALTHOUGH THE interest rates were poison labelled as medicine, it was perfectly clear that the powers-that-be would continue to prescribe the same foul cure. I quoted the then economic czar of the country, Kenneth Rush, as saying: "I think that they (interest rates) have to stay high until we see the inflation going down."

It struck me then as laughable. "Having caused inflation, lending institutions now explain that they must keep interest rates high to keep up with inflation."

That was all said more than seven years ago. Yet, through the Administrations of Nixon, Ford, Carter and now Reagan, the same sickening nostrum is applied.

BUT WHY is Congress so upset now?

The congressmen have heard from their constituencies. They were back home in late summer and discovered that the folks were hurting—hurting bad.

The "folks" were not just plain workers, who have been losing ground for at least a decade as earnings (real earnings after taxes and inflation) slipped. Although they have been the biggest sufferers, their complaints were dismissed on the theory that if workers buy less then prices will come down sooner or later.

The kind of "folk" who are now complaining are those who make up the mass base for the Republican Party in this country—the small businessmen, shopkeepers, little farmers. These "petit bourgeoisie" to use a classic phrase, are being badly bruised by the high interest rates: they are going bankrupt in panic proportions.

THEY ARE letting their Republican congressmen know.

That's why the GOP is uneasy: it is no longer just those "Democratic" blue-collar stiffs who are bellyaching; now it is those good, solid, respectable "Republican" entrepreneurs who can't live with those high interest rates.

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NLRB Not the Place For Anti-Unionist

A decent respect for the opinion of the other parties regulated by the NLRB calls for the appointment of individuals whose careers have been devoted to bringing management and labor together, not of individuals who have been employed by one side or the other to advance that side's interest or who intended to seek such employment when they leave the board.

The labor movement has . . . not pressed for the appointment of a union lawyer or official to the NLRB, and there has never in the board's 45-year-history been such an appointment. Management, to be sure, has not shown similar self-restraint. . . .

(Mr. Van de Water is) a man who has devoted a substantial part of his professional career to putting together anti-union campaigns and anti-union materials.

—AFL-CIO Sec.-Treas. Thomas R. Donahue in Senate testimony urging rejection of John R. Van de Water as chairman of the National Labor Relations Board.

Kirkland Message

Spirit of All Workers Renewed By Poland's Solidarity Union

Following is a statement by AFL-CIO President Lane Kirkland, Sept. 25, 1981.

I HAVE JUST been informed by the Polish Ambassador that his government will not grant visas to the AFL-CIO delegation which has been invited by Lech Walesa to the second session of the Solidarity Congress in Gdansk.

I had looked forward to the opportunity to meet with our brothers and sisters in Solidarity and to bring the greetings of the AFL-CIO to their Congress.

The AFL-CIO is not only disappointed, we are incensed that the Polish government would deny Solidarity its right, as a free and independent union, to decide who will attend its convention. We pledge Solidarity our continuing support.

In recent days, the Soviet Union has launched a vicious and slanderous propaganda attack on the AFL-CIO delegation. There is little doubt in our minds that this attack was aimed at discouraging our visit and preventing contact between Solidarity and the AFL-CIO.

I have made a videotape of the speech I intended to deliver to the Solidarity Congress, and I have sent the tape to Poland in the hope that it will reach Solidarity.

The text of the speech:

I AM HONORED to stand before this assembly of brave men and women, and to express to you the warm fraternal greetings and the deep admiration of your 15 million brothers and sisters in the AFL-CIO.

You have not only brought "renewal" to Poland. You have renewed the spirit of workers throughout the world.

You have transformed the word "Solidarity" from a slogan to a living moral force that has galvanized the universal cause of free and independent trade unionism.

On Sept. 19, hundreds of thousands of American workers and their allies demonstrated in Washington, in exercise of their constitutional rights, to protest the social and economic policies of our government.

THE ISSUES we addressed were entirely domestic. But you were very much in our thoughts. We called this event "Solidarity Day."

This was not the first time that our land has been touched by the Polish spirit.

From the window of my office, I can look out over Lafayette Park, in front of the White House. There stands a statue of Gen. Thaddeus Kosciuszko, who fought in the American Revolution—a revolution for democracy and independence, a revolution against colonialism and foreign domination.

Inscribed on that statue are these words: "And freedom shrieked as Kosciuszko fell."

Freedom does not shriek today. It smiles on the Poland of Solidarity.

AMERICAN LABOR owes a special debt to the workers of Poland, a debt incurred long before the American Revolution.

The first strike in my country was conducted by Polish glassblowers in 1619, near Jamestown, Va. They struck for the right to vote in the election of the first American legislative assembly, where representation was decreed limited to "those of English stock." Their strike, 362 years ago, was successful. They won the right to vote, with far-reaching implications for the development of democracy in the New World.

Polish workers continue to teach the world.

For all who believe in peaceful relations among states, there is no task more urgent than unlinking human rights and freedom from the question of who owns the means of production.

Freedom of association, of assembly, and of expression are the indispensable means by which the people of each nation can decide for themselves which forms of social and economic organization are most appropriate to their needs, their traditions, and their aspirations.

RESPECT FOR workers' rights does not automatically flow from any economic system. It humanizes all economic systems.

To the extent that this principle is reflected in the conduct of government, doors will open on broader avenues to peace, to normal intercourse among nations, and to more just allocations of resources.

The delegates to this Congress confront many difficult, even momentous questions. The AFL-CIO would not presume to advise you on the direction you should take. You alone understand the needs of Poland's workers. You alone are their authentic voice.

Let Poland's history be made by Poles.

To Solidarity, to the workers of Poland, we pledge—in the words of an old American labor song—solidarity forever.

Fighting Reagan's Policies

Solidarity Day Demonstration Strengthens Ties of Coalition

CEMENTING the foundation of a nationwide grass-roots coalition to work at every level of government to stem the Administration's assault on social and economic gains was the key achievement of Solidarity Day, John Perkins, coordinator of the Sept. 19 demonstration, declared in a network radio interview.

"The battle is already upon us," Perkins stressed. He pointed out that the President is seeking a new round of budget cuts that will inflict even greater damage and suffering on the nation and the broad range of Americans represented by the 400,000 leaders and activists who came from all parts of the country to take part in the Solidarity Day march and rally.

He said the trade union movement and its many allies will "focus on the hard decisions" that must be made at the state, county and city levels as a result of the budget slashes forced by the Administration and approved by the Congress.

Questioned by reporters on Labor News Conference, the AFL-CIO public affairs program broadcast weekly by the Mutual radio network, Perkins said the widespread opposition to the Reagan budget, tax and economic policies drew a large number of participants beyond the coalition that has been "battling side by side" for civil rights and other progressive measures for many years.

"WE'RE NOT IN total agreement on all issues," he said, but those that were the focus of Solidarity Day "there is universal agreement."

Perkins, who is associate director of the AFL-CIO Committee on Political Education, said that the pre-Solidarity Day organizing and the event itself clearly stirred new enthusiasm at the grass-roots level, particularly in the handful of states that elect governors and legislators this year. He said that momentum should "give us a leg up in the 1982 campaign."

Perkins said that while there may not be a turnaround overnight, neither the White House nor Congress missed the impact of the "We Are One" proclamation that was made so strongly on Solidarity Day.



Washington Window

By Press Associates, Inc.

RECENT FRONT-PAGE news stories described a battle of corporate giants to acquire Conoco, the nation's ninth largest oil company.

The public watched in suspense as the offers escalated. The prize finally went to Du Pont, which beat out two rivals—Mobil and Seagram—in plunking down a mind-boggling $7.6 billion, more than the yearly gross national product of many nations.

Du Pont's acquisition of Conoco made it the nation's seventh largest corporation, just behind Ford. Before, it ranked number 15 in the Fortune 500.

The merger is convenient for Du Pont, which makes chemicals from oil. Conoco owns a lot of oil. That's what is called a "vertical trust," a kind of monopoly which high school textbooks relegate to the days of the 19th Century Robber Barons.

That sort of thing has been frowned on by the law since the time of the "trustbusters" and the Sherman Antitrust Act of 1890. But no longer, it appears.

For the Reagan Administration has been saying that big corporate mergers and other monopolistic activities are okay. In fact, maybe the bigger the better. And never mind what Congress or the Supreme Court or the Constitution have said about it.

MAINLY BECAUSE of the green light being flashed by a sympathetic Justice Dept., merger fever is on the rise. Corporate mergers increase a third faster during the first half of this year than during the first half of 1980. The total dollar value of mergers in the first half of 1981 rose to over $35 billion, 60 percent above the first half of 1980.

So what difference does it make, one might ask, unless you own stock in a particular merger candidate?

For one thing, American consumers pay as much as $100 billion extra a year because of economic concentration, monopoly power, and anti-competitive price-raising and price-fixing, according to a Federal Trade Commission estimate.

Further, monopolies make it more difficult for small businesses to compete and for a competitive market to survive.

THE GROWTH of monopolies concentrates economic power and consequently political power in the hands of an unelected and unaccountable few.

Despite the constitutional mandate that the President "faithfully execute" the nation's laws, including the antitrust laws, the Reagan Administration is refusing to enforce the law in seven different kinds of antitrust violations.

William Baxter, chief of the Justice Dept. antitrust division, told the Senate Judiciary Committee that mergers which are "vertical" (between buyers and sellers of the same product, like Du Pont and Conoco) and "conglomerate" (between firms in different lines of business, like Conoco and Seagram) "should be left alone."

BAXTER SAID this even though Congress specifically outlawed these kinds of mergers in a 1950 amendment to the 1914 Clayton Antitrust Act. The Supreme Court also has invalidated them.

Although Congress and the courts make no distinction between so-called "good" and "bad" monopolies, Atty. Gen. William French Smith said recently that "bigness in business does not necessarily mean badness."

So while Reagan and his supporters preach the evils of big government, they appear to regard big business as a paragon of virtue.

And while the Attorney General declares war on crime in the streets and the President chastises the air traffic controllers for striking "illegally," the Administration chooses not to enforce laws it doesn't like regarding corporate activities.



MASSIVE TURNOUT in Washington for Solidarity Day has added new strength to the grass-roots coalition of labor and its allies, John Perkins, center, coordinator of the Sept. 19 demonstration, said on Labor News Conference. He was questioned by Robert Cooney, left, of Press Associates, Inc., and Tom Sherwood of the Washington Post. The public service program, produced by the AFL-CIO, is aired weekly on Mutual radio.

Kirkland's Message Stirs Solidarity Congress

(Continued from Page 1)

was not only disappointed but "incensed" that the Polish government would deny Solidarity "its right, as a free and independent union, to decide who will attend its convention."

The American delegation was to have been made up of Kirkland; AFL-CIO Vice President Martin J. Ward, chairman of the AFL-CIO International Affairs Committee, and the federation's European representative, Irving Brown. It had been invited by Solidarity's leaders and chief founder, Lech Walesa, to the eight-day session, scheduled to end late next week.

Pledging Solidarity "our continuing support," Kirkland noted that Poland's Soviet patrons recently had launched "a vicious and slanderous propaganda attack" on the AFL-CIO delegation, and "there is little doubt in our minds that this attack was aimed at discouraging our visit and preventing contact between Solidarity and the AFL-CIO."

THE SOVIET government newspaper, Izvestia, among other communist organs, has regularly attacked Solidarity's supporters in the West, particularly the AFL-CIO, which has responded to the independent union federation's request for assistance and given it moral backing since the birth of the new labor movement.

Also denied visas were officials of the International Metalworkers' Federation, a trade-union secretariat in Geneva to which many AFL-CIO affiliates belong, and the International Confederation of Free Trade Unions in Brussels.

KIRKLAND SAID that he was informed of the government's refusal to grant visas to the AFL-CIO delegation by Polish Ambassador Romuald Spasowski during a private meeting at federation headquarters on Sept. 25. The Gdansk conference opened the following day.

In his speech, Kirkland referred to the Sept. 19 Solidarity Day turnout in Washington of more than 400,000 American workers and their allies protesting governmental social and economic policies. "The issues we addressed were entirely domestic," he said, "but you were very much in our thoughts."

That was not the first time that America has been touched by the Polish spirit, Kirkland noted. He cited the contributions to the American Revolution by Polish Gen. Thaddeus Kosciuszko and the strike by Polish glassblowers in 1619 near Jamestown, Va., to win the right to vote in the election of the first legislative assembly conducted in America by the early settlers.

"POLISH WORKERS continue to teach the world," Kirkland said. "For all who believe in peaceful relations among states, there is no task more urgent than unlinking human rights and freedom from the question of who owns the means of production.

"Freedom of association, of assembly, and of expression are the indispensable means by which the people of each nation can decide for themselves which forms of social and economic organization are most appropriate to their needs, their traditions, and their aspirations. Respect for workers' rights does not automatically flow from any economic system. It humanizes all economic systems."

Before they conclude their first national congress, Solidarity delegates will elect officers, deal with internal union business, and take positions on a variety of issues. Some of the most extensive debate centered on a proposed worker self-management law calling for cooperation between workers and authorities in choosing plant managers.

OVERSHADOWING the debate on the controversial worker self-management law was the announcement that the Committee for Social Self-Defense, formed five years ago to fight for the rights of workers imprisoned for participation in demonstrations, had formally dissolved itself. The dissident group, known by the Polish acronym KOR, had a small but influential membership which was instrumental in the creation of Solidarity.

Prof. Edward Lipinski, an economist who helped form KOR, announced that it was being dissolved because it had achieved its purpose now that the independent labor federation was in existence. Many of its members have since joined the new labor movement.

IN HIS remarks at the historic congress, Msgr. Higgins spoke of the need of workers the world over to form unions, and referred to the new and special emphasis Pope John Paul II gave recently to workers' right of freedom of association. In the third encyclical of his pontificate, "Laborem Exercens," John Paul "sounded a clarion call for worker solidarity at both the national and the international level, and strongly emphasized the dignity and rights of labor," Msgr. Higgins observed.

Yet, "as recent events in the United States have demonstrated, opposition to unions dies very hard," he said. "Please God, Pope John Paul's new encyclical will help to counteract this opposition."

N.Y. Press Office Opened to Serve Solidarity Union

New York—A press and information office has been opened in New York City with the assistance of American unions to provide reports on Poland's independent union, Solidarity.

The announcement was made at a news conference at the offices of the United Federation of Teachers by Zygmunt Przetakiewicz, who arrived in the United States from Warsaw several weeks ago to direct the new office. He said its purpose would be to "transmit Solidarity's information to the people of the United States. Solidarity is eager that people everywhere be informed of the true nature of its work and goals."

THE NEW YORK PRESS office will be independent of but in close daily contact with the press offices of Solidarity in Poland, Przetakiewicz said. The New York office is a project of a newly formed, not-for-profit corporation, the Friends of Poland's Independent Trade Union, Solidarity, Inc., with Przetakiewicz serving as president. On its board will be Bayard Rustin, chairman of the A. Philip Randolph Institute, and Tadeusz Walendowski, president of the Poland Watch Center in Washington.

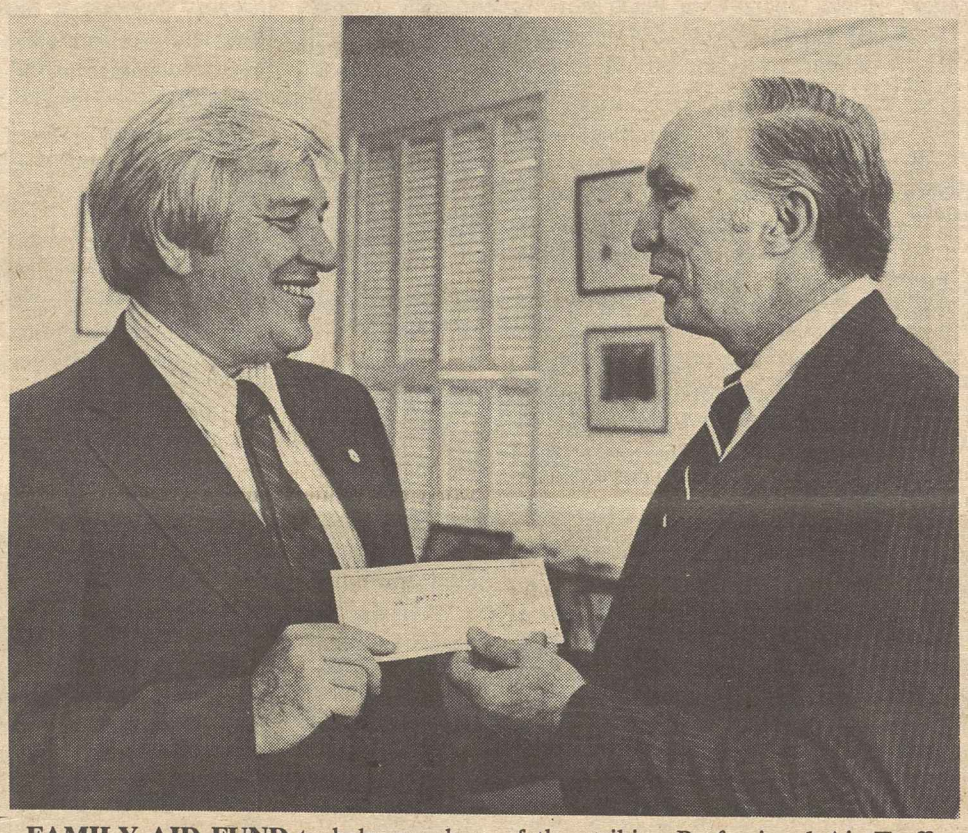
Przetakiewicz said that the press and information office would receive daily Telex messages from Solidarity headquarters in Poland and would make them available to the American media. He said he intended to issue a bulletin of news and analysis based on materials transmitted from Poland and would distribute it to a subscription list.

Funds raised by subscriptions and contributions would be used to offset the cost of the office here, he said.

Rustin stressed that the office is not to be perceived as speaking officially for Solidarity, but will serve "as a funnel of information from Poland to the American news media and to the trade union movement."

THE OFFICE has begun its work on the 6th floor of 260 Park Ave., South—the building which houses the United Federation of Teachers, which, with its president, Albert Shanker, helped the office get started. Przetakiewicz expressed his gratitude for the assistance of the UFT and for the loan advanced to the press office by the AFL-CIO.

The first issue of the office's news bulletin released at the news conference featured a statement by Janusz Onyszkiewicz, Solidarity's official press spokesman, on the union's negotiations with the Polish government.



FAMILY AID FUND to help members of the striking Professional Air Traffic Controllers Organization meet severe financial crises is bolstered by a $10,000 donation from the Letter Carriers, presented by NALC President Vincent Sombrotto to AFL-CIO Sec.-Treas. Thomas R. Donahue. Payments to PATCO members with pressing needs are being disbursed from the aid fund, which now totals nearly $500,000.

Tuition Tax Credit Scheme Scored as Treasury Drain

Although the Reagan Administration is on record supporting tuition tax credits, Teachers President Albert Shanker said the Treasury Dept. has offered some of the best arguments against tax credits.

Shanker made his comments in testimony before a House Education subcommittee, citing earlier testimony by John Chapoton, assistant secretary for tax policy in the Treasury Dept. that "this Administration is determined to work as closely as possible with Congress in constructing a tuition tax credit bill." During his testimony, however, Chapoton did acknowledge the overall revenue impact of tuition tax credits.

SHANKER SAID tuition tax credits would be bad legislation on many grounds:

- The full costs are unknown.
- The federal government would be in the position of determining which private institutions are eligible.
- Savings to parents now sending their children to private schools may become moot because private schools could drastically inflate tuition rates.

"We are talking about a $7 billion minimum cost for those there now and a blank check for $14 billion or $21 billion or more that would be drained from the federal treasury through tax credits," Shanker said.

HE QUESTIONED the Treasury Dept. suggestion that one way of assuring that the drain on the U.S. Treasury is not excessive would be to reduce current federal expenditures for education. Such a course would only serve to harm the handicapped, minorities, low-income families and those in special education programs that depend on federal support, Shanker pointed out.

"We have here direct evidence of a major shift in federal policy," he said.

Shanker also predicted that tuition tax credits would be found unconstitutional and would prompt private schools to increase fees dramatically.

HE SAID he was "shocked" that the conservative Reagan Administration is not interested in preserving such a time-honored tradition as public education—"an institution which has had at its main goal the development of a common set of values and ideals."

Legislative Issues Mark Connecticut Labor Sessions

New Haven, Conn.—A comprehensive legislative agenda was adopted by the Connecticut AFL-CIO convention calling for improvements in worker compensation benefits, reform of the state's regressive tax system and protections against plant closings.

The 494 convention delegates called on the state legislature to upgrade jobless benefits from the current 49 percent of Connecticut's average manufacturing wage to 66⅔ percent and to extend coverage to strikers.

The average wage in the state currently is $308 per week.

ADDITIONAL improvements are needed for workers disabled by industrial accidents and disease, the convention stressed in urging an increase in benefits to 150 percent of the average wage from the current 100 percent rate.

The state federation's tax reform proposal calls for lowering the 7.5 percent state sales tax—the highest in the nation—as well as reductions in excessive property taxes. The convention urged establishment of a progressive state income tax program that would shift the major revenue burden from workers earning less than $34,000 a year.

In an effort to discourage the flight of industries from Connecticut, the state body is seeking enactment of measures to set up economic penalities that runaway shops would pay affected workers and communities.

DELEGATES re-elected President John J. Driscoll, Sec.-Treas. Betty L. Tianti, Executive Sec. Dominic Badolato and 43 vice presidents to new two-year terms. Wayne Gilbert of the Machinists was elected executive vice president to succeed Gordon Sawyer, who did not seek re-election.

The convention also approved a 4-cent increase in the monthly per capita, raising members payments to 30 cents effective Oct. 1.

In another constitutional change, delegates gave the 160-member state COPE committee authority to make candidate endorsements in primary and special elections. The constitution had required the calling of a special convention to approve endorsements.

During the three-day convention, the State AFL-CIO's Humanities Council gave its premiere showing of an audio-visual presentation documenting the growth of the labor movement in Connecticut over the past 100 years.

Convention Action

Laborers Score Attack On Worker Protections

Hollywood, Fla.—The Laborers assailed the Reagan Administration's drive to slash hard-won federal wage standards, job safety programs, workers' compensation and social security benefits.

The 2,500 delegates to the union's 18th convention warned in a series of resolutions that the President's short-sighted economic and budgetary policies will cost LIU members dearly in employment opportunities and entitlements.

IN HIS KEYNOTE address, Laborers President Angelo Fosco charged workers and the elderly will have to bear the brunt of Reagonomics. He said Reagan has betrayed the trust of many LIU members who had voted for him last November.

"They believed him when he said his economic program was for all Americans. They believed him when he said his Administration would not destroy worker protections. But their trust has been betrayed," Fosco declared.

Reagan's plan to eliminate "waste and extravagance" turns out to be the jobs of LIU members, he charged. When Reagan talked about "getting government off our backs," he really meant taking away the $122 minimum monthly social security checks from elderly widows, he said.

THE BILLIONS of dollars slashed from federal construction and housing projects will have a severe impact on the jobs of Laborers, Fosco pointed out.

"The cut in unemployment insurance will particularly hurt our members. Workers in seasonal industries, like construction, will have trouble qualifying for benefits, and our unemployed members will be forced to abandon their trade and take minimum wage jobs or lose their unemployment benefits."

In a telephone hookup with the convention, AFL-CIO President Lane Kirkland told delegates that Reagan's supply-side economics is just another name for the discredited trickle-down theory.

"But while the theory is not new, this is the first time we have been asked to gamble so much on it," Kirkland said. "Working people are asked to risk their jobs, their homes, their children's education, their social security and their health and welfare."

Kirkland said this is not a gamble the AFL-CIO is prepared to embrace, and the point of the Sept. 19 Solidarity Day demonstration was to express the deep concern of trade unionists over the direction the nation is headed.

Resolutions adopted at the five-day convention called for an all-out fight to preserve the Davis-Bacon prevailing wage law and the Service Contract Act, and opposition to efforts to undermine the Occupational Safety & Health Administration's programs and the Administration's "tampering" with social security.

DELEGATES ALSO opposed efforts to apply the Hobbs Act to picket line disturbances and endorsed the development of nuclear power projects with proper safeguards.

The convention voted a $1.25 increase in per capita payments to $4 per month effective next Jan. 1. It also authorized the union's executive board to raise payments 25 cents a month once during the next five years. Minimum dues for local unions were increased from $7 to $9 per month.

Fosco was re-elected to a new five-year term over token opposition. Sec.-Treas. Arthur E. Coia and eight vice presidents were re-elected by acclamation.

The convention voted to raise the president's annual salary from the current $120,000 to $125,000 and the secretary-treasurer's from $114,000 to $120,000. Vice presidents were given cost-of-living increases on their $20,000-per-year salaries.

The convention paid a special tribute to Canadian Ambassador Kent Taylor, who during his tour in Iran helped in rescuing six American hostages.

Maryland Unions to Seek Tax Reform, Bargaining Law

Baltimore—A wide-ranging legislative agenda adopted at the Maryland-District of Columbia AFL-CIO convention focuses on the need to plug oil company tax loopholes, gain full collective bargaining rights for public employees, and reject new attempts to enact a "right-to-work" law.

The 312 delegates also called for improvements in jobless benefits and workers' compensation and safeguards for workers in the communications industry from company monitoring of telephone calls.

PRESIDENT THOMAS M. Bradley noted in his keynote address to the five-day convention that labor succeeded in pushing through five key goals in the last session of the legislature, including stronger safeguards against the occupational hazard of asbestos, improved unemployment compensation and benefits for survivors of fire fighters, and the expansion of education funds.

A prime objective of the state labor federation is to reform Maryland's tax structure to insure that oil firms pay full taxes on their profits. A labor-consumer coalition study estimates that states are losing more than $800 million a year in tax revenues as a result of questionable oil company accounting practices. The next session of the state legislature will open next January.

AFL-CIO Sec.-Treas. Thomas R. Donahue told delegates that the Reagan Administration's calloused lack of concern for workers and the poor was made clearly evident in its budget and tax programs. Its policies reveal a devotion to giving the nation's wealth to the rich and granting unrestricted power to corporations, he charged.

Citing the role of Congress in embracing the Reagan "trickle-down" economic policies, Donahue noted that next year's congressional elections will give the American people the first opportunity to pass judgment on the performance of their representatives.

"Those who voted for the senseless budget cuts, those who endorse the crippling of social security, those who acquiesce in the dismantling of a half-century of progressive labor legislation will be forced to run on their records," he stressed.

IN MARYLAND, he said, unions will have to work as never before to repel the right-wing attacks on labor's supporters in Congress and the state house.

The convention unanimously endorsed the re-election of Maryland's Sen. Paul S. Sarbanes, who has been a prime target for defeat by the National Conservative Political Action Committee. Sarbanes has a 97-percent "right" COPE voting record in his first five years in the Senate.

Delegates re-elected all top officers, including Sec.-Treas. Edward A. Mohler and 30 vice presidents to new four-year terms. Bradley, who has been serving as president for the past two years, was elected to his first full four-year term.

Four new vice presidents elected to the executive board are James F. Combs, Local 37 of the International Brotherhood of Electrical Workers, Cumberland; John C. Hazel, Local 2 of the Office & Professional Employees, District of Columbia; Charles L. Stover, Local 77 of the Operating Engineers, D.C., and Melvin Broyles, Local 689 of the Amalgamated Transit Union, D.C.



REAGAN ECONOMIC POLICY is assailed by former Vice President Walter F. Mondale at the Minnesota AFL-CIO convention in St. Paul. State labor federation President David K. Roe is at left.

Minnesota Delegates Urged To Mount Election Drive

St. Paul, Minn.—The Reagan Administration came under sharp attack at the Minnesota AFL-CIO's 24th convention as speaker after speaker identified threats to existing laws beneficial to workers and urged the labor movement to counterattack in the 1982 elections.

Former Vice President Walter Mondale reminded the delegates of his prediction during the 1980 presidential election campaign that if Reagan were elected, tax relief would mean a "Lincoln automobile for the rich" and a "hubcap for the workers."

"IN THE YEARS I've spoken to this convention, never before have threats to the labor movement and threats to social justice been greater than they are now," Mondale said. He termed President Reagan's relations with organized labor the worst the White House has seen since the days of Herbert Hoover.

Mondale received a standing ovation after warning "high government officials" that "you cannot support free unions in Poland and then turn around and try to weaken them and cripple them in the United States."

In regard to the Air Traffic Controllers' strike, Mondale questioned why no effort is being made by the FAA to "negotiate with these decent Americans" and get them back to work. He added that "whatever point the Administration wished to make" by firing the controllers had been made.

MORE THAN 200 striking PATCO members and spouses came to the stage and front of the ballroom for a rally while the delegates sang Solidarity Forever.

PATCO Local 305 President Tom Callopy detailed the festering problems that led to the strike and declared: "With your help, the controllers have the strength to hold out until the government finds out it can't do without us."

Minnesota AFL-CIO President David Roe said that basic rights for workers and their unions are the issue at stake in the PATCO strike. "They're trying to smash the air controllers, and all of us know we're next," he said.

A collection among the delegates drew contributions of more than $14,000 to aid the PATCO strikers and their families.

THE CONVENTION voted to create a series of seminars around the state to defend workers' compensation. Other resolutions opposed decontrol of natural gas prices, reaffirmed support for the Equal Rights Amendment, requested a shorter lag time on rate rulings by the state Public Utilities Commission, rejected the "voluntary quit" disqualification for unemployment insurance, and called for the legal right for public employees in Minnesota to honor picket lines put up by any striking union.

Addressing state issues, Speaker Harry Sieben, Jr., of the Minnesota House warned that Gov. Al Quie will push reductions in workers' compensation and unemployment insurance benefits to regain lost favor with the business community and will resurrect his 1978 campaign theme that Minnesota has a bad business climate.

"We're not going to repeal the public employees' right to strike. And we're not going to cut unemployment compensation or workers' compensation benefits, and that's a promise," Sieben vowed.

A SIMILAR THEME was sounded by State Majority Leader Roger Moe, who warned that the pressure to slash workers' compensation benefits will be strong and that union efforts must be united and well-organized to resist the pressure.

Among the other speakers were U.S. Senate Minority Leader Robert Byrd (D-W.Va.); Minnesota Democratic Reps. James L. Oberstar, Martin O. Sabo and Bruce F. Vento; State Atty. Gen. Warren Spannaus; Earl McDavid, AFL-CIO Union Label & Service Trades Dept., and St. Paul Mayor George Lattimer.

NLRB Choice Hit On Partisan Role As 'Consultant'

(Continued from Page 1)

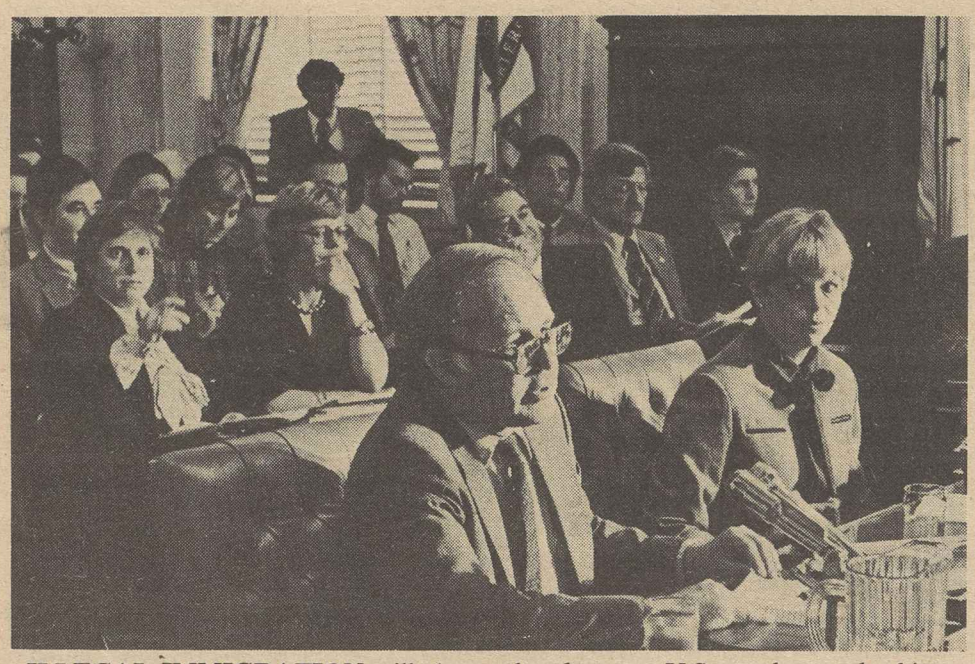
Never in the board's 45-year history has the labor movement pressed for the appointment of a union lawyer or official to the NLRB, and never has there been such an appointment, Donahue noted. Management, however, has not shown similiar self-restraint, he said, citing the appointments in recent years of Chairman Edward Miller, General Counsel Peter Nash, and Board Member Peter Walther —men who interrupted their careers as employer lawyers for short stints with the NLRB.

Van de Water, who has served as a management representative for both the Ford Motor Co. and North American Aviation and as a member of the Labor Relations Committee of the U.S. Chamber of Commerce, was sworn into office on Aug. 18 while the Senate was in recess. The Senate still must confirm his appointment, however.

Robert P. Hunter, 41, former chief counsel and chief of staff for the Hatch committee who was appointed to the board at the same time as Van de Water, received unanimous confirmation from the panel on Sept. 15. Like Van de Water, he is a Republican.

VAN DE WATER replaced Democrat John Pennello, who resigned his member's seat last January. As chairman, Van de Water succeeded Democrat John Fanning, who remains on the five-man board as a member. Hunter replaced John Truesdale, a Democrat, who resigned in January after Reagan withdrew his nomination for another term.

The remaining members of the board are Republican Howard Jenkins, Jr., and independent Don A. Zimmerman.



ILLEGAL IMMIGRATION will slow only when any U.S. employer who hires an illegal worker is subject to stiff fines and criminal penalties, the AFL-CIO, the Farm Workers and the Labor Council for Latin American Advancement told a Senate subcommittee. Testifying are AFL-CIO Research Director Rudy Oswald and Stephanie Bower, Farm Workers legislative representative.

Against Exploiting Employers

Stiff Hiring Fines Urged To Halt Illegal Aliens

"The quickest and best way to stop illegal immigration is to stop giving jobs to illegal immigrants," and the key is stiff penalties against employers who hire illegal workers, the AFL-CIO told a Senate subcommittee.

Research Director Rudy Oswald told the Senate Subcommittee on Immigration & Refugee Policy that Reagan Administration proposals for sanctions against employers who hire illegal aliens are "a step in the right direction, but they do not go far enough."

THE AFL-CIO supports penalties of up to $1,000 per worker per day with no exclusions, Oswald said.

The Reagan Administration proposals, unveiled by the Justice Dept. in July, propose fines of only $500-$1,000 per offense and permit the exclusion of many employers, including wealthy families employing one or two domestic servants.

The government should also provide employers with a secure, counterfeit-proof identification system for legal workers and increase its enforcement of existing wage and working standards legislation, Oswald testified.

IN OTHER testimony before the committee, Jack Otero, executive vice president of the Labor Council for Latin American Advancement, underscored the need for quick passage of legislation forbidding U.S. employers from hiring illegal immigrants.

Otero, a vice president of the Railway & Airline Clerks, had served as a member of the Select Commission on Immigration & Refugee Policy, appointed by President Carter in 1979.

He pointed out that, in addition to recommending employer sanctions and a sound identification system, the commission's study called for tighter enforcement of existing labor laws, stepped-up border controls, and better funding and larger staffing for the Immigration & Naturalization Service.

STEPHANIE BOWER, legislative representative for the Farm Workers, also emphasized the need for deterrent penalties and secure, non-discriminatory identification such as a counterfeit-proof social security card.

Bower pointed out that the use of illegal aliens as farm workers has tempted growers and labor contractors to avoid making social security payments, thus robbing the program of needed revenues.

At the same time, she told the committee, issuing social security cards to farm workers would help bring them into the system and provide them with deserved benefits in their older years.

THE "LURE OF JOBS" is what brings and keeps most illegal workers in the United States, Oswald told the panel. Illegal workers take jobs away from American workers and they undermine U.S. wages and working conditions by offering employers a work force "willing to work hard for long hours and little pay," he said.

Oswald emphasized that the need for work and "their continuous liability to deportation if they don't behave and accept what is offered to them" leaves them at the mercy of "unscrupulous, exploiting employers" who often deliberately seek out illegal aliens.

"Decent, law-abiding employers," he said, suffer from unfair competition from unscrupulous employers who pay low wages and avoid their legal and social responsibilities to withhold income taxes and make social security and unemployment insurance payments.

Oswald stressed the need for civil liberties safeguards to prevent any crackdown on illegal immigration from being turned into "discrimination against U.S. citizens with Hispanic surnames."

Harsh Results of Reagan Cuts Outlined to Hispanic Caucus

One of the pernicious consequences of the Reagan Administration's economic policies is that they threaten to unleash a new era of social strife and tension, AFL-CIO President Lane Kirkland told some 1,200 Hispanic-American leaders from across the country.

"By slashing vital social programs in order to finance massive tax cuts for the rich," Kirkland said, "the Administration sets the stage for class conflict between the haves and the have-nots. But it also pits those who have little against those who have barely enough.

"IT PITS the 10 percent of Hispanics who are unemployed against the 15 percent of blacks who are unemployed . . . young workers against older workers, public employees against private employees, women against teenagers."

Kirkland's keynote address at the fourth annual Congressional Hispanic Caucus dinner concluded two days of seminars on issues such as employment, housing, health and urban economic development. The Hispanic Caucus consists of the five Hispanic-American congressmen, Manuel Lujan Jr. of New Mexico, Robert Garcia of New York, Edward R. Roybal of California, and Henry Gonzalez and Kika de la Garza of Texas. All but Lujan are Democrats. Garcia is chairman of the organization.

KIRKLAND SAID that organized labor is in "profound disagreement" with President Reagan's sense of history and philosophy, and pledged to fight for those programs giving all citizens an even chance to realize their full potential.

Specifically, he said, the AFL-CIO will fight the Administration's abandonment of bilingual education, its "guest worker" program that would provide unfair employers with a pool of short-term workers who would be used to depress the job market and undermine the security of full-time workers, and the government's "mean-spirited" decision to lock up refugees from Haiti, El Salvador, and other tropical countries in Montana, where temperatures can drop to 40 below zero and there are no communities of Salvadorans and Haitians to give aid and comfort to these refugees.

Kirkland also pledged the AFL-CIO will press for a humane and rational immigration policy providing amnesty for those who have "found a way to make a home and lead a constructive life in our country."

UAW, Chrysler Approve Plan for Profit Sharing

Detroit—Chrysler workers stand to share in the company's profits starting next year if the federal government approves a plan announced jointly by the company and the Auto Workers.

The profit-sharing plan, agreed to in principle by the company and the union last January as part of a package of wage and benefit concessions to help keep the firm afloat, is subject to approval by the Chrysler Loan Guarantee Board that oversees government-backed loans to the company.

AS A FIRST STEP, the company agreed to pay each of its 70,000 UAW-represented workers a $50 bonus, effective Oct. 16. Additional compensation under profit sharing could be paid out of 1982 profits under a formula worked out by Chrysler and the UAW.

The plan calls for union workers to receive the equivalent of 15 percent of any United States and Canadian profits in excess of 10 percent of Chrysler's U.S. and Canadian net worth. UAW Vice President Marc Stepp, director of the union's Chrysler Dept., said an individual worker may elect to take his or her share in the form of credit toward the purchase of a U.S.- or Canadian-made Chrysler vehicle at the rate of $1.50 for each $1 share of entitlement. The shares generated by the profit-sharing plan would be in addition to the stock currently allocated to eligible Chrysler employees under the Employee Stock Ownership Plan, Stepp noted.

THE UNION ALSO has negotiated an agreement with the company under which workers may win one of more than 3,000 prizes, or "purchase certificates," for Chrysler products ranging from a free Chrysler Imperial to a $500 rebate on a compact Dodge Omni. The certificates will be distributed to workers through a drawing.

Stepp also announced that the company has agreed to keep open its Trenton, Mich., chemical plant through the 1983 model year. The plant, which employs 230 workers, had been slated for permanent closing in a year.

Housing Costs Keep Price Index Rising

Living costs shot up again in August, lifting the government's consumer price index eight-tenths of 1 percent as housing costs continued to register sharp gains.

Compounded and annualized, last month's CPI increase translated into an inflation rate of 10.6 percent. Over the past 12 months, inflation has advanced at a 10.9 percent pace.

The Bureau of Labor Statistics, which released the latest monthly report on consumer prices, said the annual inflation rate for the first eight months of the year was a seasonally adjusted 9.6 percent.

Steep as it was, the August CPI increase of eight-tenths of 1 percent marked a sharp decline from the 1.2-percent rise in July, and was the result of a moderation in price rises for transportation, food and beverages. The cost of buying and maintaining a home rose 1 percent after jumping 1.6 percent in July and accounted for over half the month's increase in the CPI.

High mortgage rates continued to exert strong upward pressures on shelter costs in August. There were large increases in property taxes, property insurance, rent, fuel and other utilities as well. Last month's 1.2-percent rise in rental charges was the largest in a year, BLS reported. The housing component of the index has risen 16.2 percent on an annual basis during June, July and August.

Food prices climbed over the month by seven-tenths of 1 percent after rising by eight-tenths of 1 percent in July. These two months were significantly higher than any other this year and have surprised economists, most of whom have been expecting continued modest advances for food. Among last month's sharp food price hikes, beef, pork, poultry, and fresh vegetables led the way.

MEDICAL CARE costs rose at a high rate for the eighth consecutive month, increasing a full 1 percent. Hospital rooms rose 2.2 percent. Charges by physicians, dentists, and other medical professionals rose nine-tenths of 1 percent, while the cost of medical commodities, including drugs and medical supplies, rose 1.1 percent.

Transportation costs rose by six-tenths of 1 percent over the month, partly because of the third consecutive sharp increase in used-car prices. Gasoline prices continued to fall, but at less than the rate in the four preceding months. Apparel prices rose eight-tenths of 1 percent after rising five-tenths of 1 percent in July.

Housing constitutes 45.5 percent of the consumer price index's weight, transportation 19 percent, food and beverages 18.3 percent, apparel 4.9 percent, medical care 4.7 percent, entertainment 3.6 percent, and other goods and services 4 percent.

BLS ALSO reported that workers' real spendable weekly earnings increased four-tenths of 1 percent—the first monthly rise in four months—but were 2.7 percent below the year-earlier level. Real spendable earnings are what is left after taxes and inflation.

A married worker in the private sector with three dependents who earned the average weekly wage of $259.88, took home $223.26 in August, measured in current earnings. That is $2.41 more than in July and $15.77 more than in August 1980.

But in "constant dollars," keyed to the 1977 buying power, the same worker's real spendable earnings last month averaged $147.08. While 53 cents more than in July, the figure was still $4.26 less than a year earlier.

10/3/81

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Jobless Rate Shoots up to 7.5 Percent

By James M. Shevis

The number of unemployed Americans nudged the 8 million mark in September, increasing by 309,000 over the month and heightening concern over the state of the nation's economic health.

The rise lifted the national jobless rate three-tenths of 1 percent to 7.5 percent. The rate has jumped a half-point since July.

BESIDES THE 7,966,000 officially unemployed workers last month, the Bureau of Labor Statistics reported that there were 1.1 million "discouraged" workers—those who want to work but are not looking for jobs because they believe they cannot find any — and a record 4.5 million "partially unemployed" workers. The latter group includes many persons working part time because they could not find full-time jobs.

BLS said the increase in unemployment was concentrated among adult workers over 25, both men and women, but all major workforce categories except workers of Hispanic origin posted jobless rate increases over the month. Unemployment among blacks hit a record high of 16.3 percent.

At the same time, the total number of Americans holding jobs fell to 98,270,000 over the month, a decline of 674,000. The government said the entire decline occurred among white workers, mostly adult women.

BLS COMMISSIONER Janet L. Norwood told a congressional Joint Economic Committee hearing that the September figures "show continued weakness in the demand for workers." She noted that unemployment had returned "to about the levels which prevailed during the second half of 1980" as a result of last year's recession. The marked rise in unemployment combined with the drop in total employment indicate that "at best the economy is very flat," she said.

"There is a very weak employment situation, extremely weak," Norwood said, adding: "There's special distress in areas sensitive to interest rates, such as construction and like industries—lumber and wood manufacturing, and the larger durable goods manufacturing industries which are related to housing. In the automobile industry, there's been a decline over a period of many months, and it hasn't picked up with the new models."

Construction employment, which had shown some growth in the latter part of 1980 and early months of 1981, fell an additional 20,000 to 4,253,000 last month, depressing employment in the industry 165,000 below the April level and slightly lower than that of the July 1980 recession trough. With mortgage interest rates at

(Continued on Page 8)

Voting Rights Measure Clears House, 389 to 24



REDUCED HEALTH CARE benefits and higher out-of-pocket expenses will result for workers and their families from poorly conceived legislation now before Congress, AFL-CIO Social Security Director Bert Seidman told a House Ways & Means health subcommittee. He was accompanied by Cathy Schoen of the Service Employees; Melvin A. Glasser, executive director of the Committee for National Health Insurance, and Associate Director Robert McGlotten of the AFL-CIO Dept. of Legislation.

Kirkland Cites 'Consensus' in Wide Margin

The overwhelming House vote to extend the landmark Voting Rights Act "reflected the consensus of the vast majority of workers and the American people at large" as expressed in the Sept. 19 Solidarity Day demonstration in Washington, AFL-CIO President Lane Kirkland said.

In a statement congratulating the House on its bipartisan 389-24 vote, Kirkland observed that on "the fundamental issue of the right to vote—the keystone of democratic equality—the American people are united."

HE CALLED ON the Senate to follow through "as quickly and expeditiously as possible to endorse and transmit this measure for President Reagan's signature."

An extension bill has been introduced in the Senate by Sen. Charles McC. Mathias (R-Md.) with subcommittee hearings scheduled for early January, and supporters of the measure said the House action, in which 160 Republicans joined 229 Democrats for passage, enhances prospects for a strong Senate bill.

The legislation would extend for two years the central provisions of the act, which has protected minority voting rights since 1965. The enforcement provisions require nine states and parts of 13 others with histories of discrimination against minority voters to clear with the Justice Dept. any changes in their election laws and procedures.

UNDER A 1975 amendment to the original Voting Rights Act, the enforcement provisions are slated to expire on Aug. 5, 1982. The House-passed bill would extend these provisions through Aug. 5, 1984, and add a number of mea-

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With Lower Benefits

'Competition' Plan Seen Boosting Medical Costs

By John R. Oravec

Health insurance legislation promising to lower costs by supposedly instilling competition in the health care industry would actually slash benefits and increase medical costs for workers and their families, the AFL-CIO warned at House hearings.

Social Security Director Bert Seidman described the so-called competition proposal encompassed in three bills now before Congress as a "Rube Goldberg contraption" that would backfire.

"IF CONGRESS were to be misled into enacting such a fanciful scheme to deregulate the health care industry and to substitute competition and the marketplace as a cost containment strategy, the result would be exactly opposite of that intended by proponents," Seidman told a House Ways & Means health subcommittee.

"Health care costs would increase, not decrease," he said, adding that more regulation would be required to make the industry more competitive.

All three measures—one House bill and two Senate bills—would require employers to offer their workers a choice of prepaid health insurance plans. But there's a catch.

WORKERS CHOOSING a higher-cost plan with more comprehensive benefits would be penalized through higher income taxes because the employer's contributions exceeded a specified ceiling.

If workers elected to take a less-costly plan, they would receive a tax-exempt refund. However, Seidman pointed out, the workers' out-of-pocket health care expenses would increase because of the limited coverage in the lower-cost plan.

"Central to the cost containment strategy of these bills is the notion that by establishing a ceiling on employer contributions for health insurance, employees and other consumers of health services would be encouraged to shop around for the less expensive physicians, hospitals, insurers and health maintenance organizations," Seidman noted.

Based on that assumption, competi-

(Continued on Page 6)

House Adopts Funding Bill Without New Reagan Cuts

The House served notice to President Reagan that his economic program no longer faces clear sailing on Capitol Hill as it approved an $87.3 billion appropriations bill for the Departments of Labor, Education, and Health & Human Services, rejecting the President's call for more cuts in education, health, welfare and jobs programs.

Also rejected, in the course of debate on the funding bill, was a new move to cut back the coverage of the Occupational Safety & Health Act.

AN AMENDMENT proposed by freshman Rep. Judd Gregg (R-N.H.) would have broadened the exemption from OSHA inspections to firms with 25 or fewer workers instead of 10. It failed to attract enough support for a record vote.

AFL-CIO Legislative Director Ray Denison had written each House member urging rejection of the additional budget reductions. The federation "believes strongly that the course being pursued by this Administration and this Congress to drastically cut back social and economic stabilization spending is wrong," Denison said.

The appropriations bill was the first to reach the House floor since Reagan's televised appeal on Sept. 24 for a further reduction of 12 percent in discretionary spending programs to help achieve his fiscal 1982 budget target. The key vote came on a Republican motion to recommit the measure without instructions, which was rejected 168-249.

REAGAN HAD outlined nearly $4 billion in additional cuts he wanted in programs covered by the Labor-HHS funding bill. But the House trimmed its Appropriations Committee's bill only $74 million to bring it in line with the budget recon-

(Continued on Page 7)

New Mood on Hill Since Solidarity Day

A change in mood and a "firming up" of Congress have been evident on Capitol Hill since the massive Solidarity Day protest against the Reagan Administration's policies, AFL-CIO Legislative Director Ray Denison observed.

As evidence, Denison cited three successive victories for labor on key legislation: the House's overwhelming passage of a bill to extend the Voting Rights Act, its approval of funds for the Departments of Labor, Education, and Health & Human Services without the further cuts sought by Reagan, and its rejection of a new bid to reduce coverage of the Occupational Safety & Health Act. (Stories, this page.)

In addition, Denison noted, the President himself has shown an awareness of this new mood in retreating from Administration plans for sharp cuts in social security benefits and reductions in the quality and quantity of food served in the school lunch program.

Public Sector Contracts Set 7.3% Boosts

Major bargaining agreements covering some 217,000 state and local employees negotiated during the first half of 1981 provided average first-year wage increases of 7.3 percent, the Bureau of Labor Statistics reported.

The figure compares to an average gain of 7.5 percent for all of 1980. Over the life of the contracts, the annual increase averaged 7.3 percent, down half a percentage point from the 7.8 percent average increase in settlements reached last year.

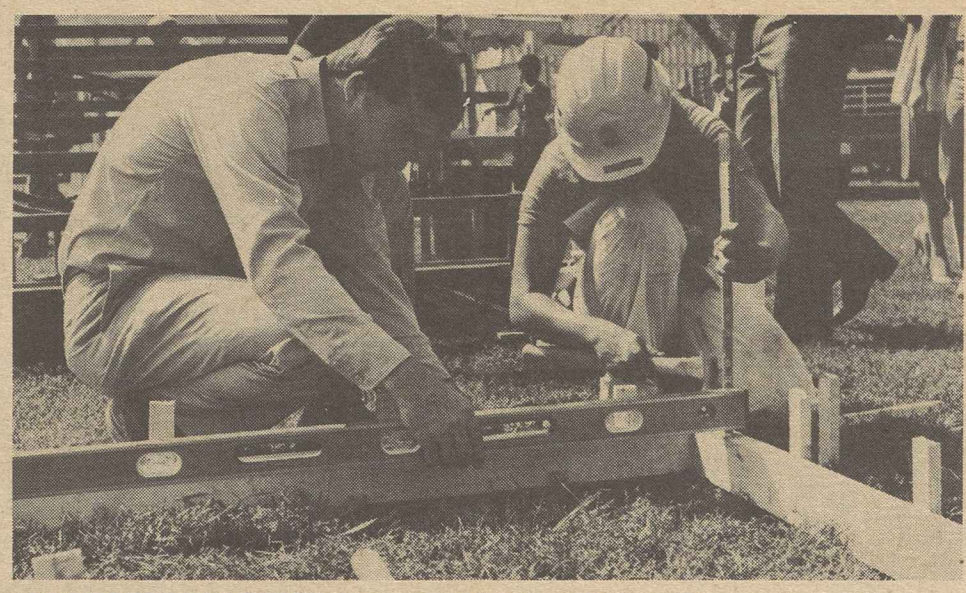
THE FIRST-HALF 1981 settlements were negotiated by 20 different bargaining units, one of which had two settlements. BLS said 55 percent of the employees worked for state governments, and the rest for local jurisdictions.

The size of the state and local contract settlements, which covered units with at least 5,000 workers, differed sharply from private-sector settlements in the first half of 1981. BLS earlier reported that contracts covering 1,000 or more workers in the private sector yielded average first-year wage gains of 11.3 percent and over-term annual increases of 9.2 percent during the first six months of this year.

All of the state and local contracts provided for specified wage increases in the first contract year, with no cost-of-living clauses in any of the pacts.

TOTAL COMPENSATION changes—adding benefits to wages—increased an average 7 percent both in the first contract year and annually over the life of the contracts, BLS said. The comparable figures for private-sector agreements negotiated during the same period were 11.4 percent for the first year and 10 percent over term.

BLS also reported that "effective wage adjustments were made during the first six months of 1981 resulting from settlements reached during the period, deferred increases paid under agreements reached in prior years, and increases under COL clauses. About 511,000 workers in 36 bargaining units received pay raises averaging 6.3 percent in the January-June period.



JOB CORPS TRAINEES demonstrated their skills in building trades craftsmanship at a Washington exhibition. Here, an instructor checks the efforts of a Cement Mason trainee.

Job Corps Training Praised As Vital to Young Workers

The success of the Job Corps in getting training and work experience to disadvantaged young people proves the value of cooperative efforts between labor, business and government to fight unemployment, AFL-CIO Sec.-Treas. Thomas R. Donahue said.

Donahue spoke at ceremonies honoring past and present directors of the training agency during a Job Corps exposition and demonstration in Washington.

THE AFL-CIO's own long-term support of the skill and job training program is based on the labor movement's commitment to "improve the quality of life for all Americans," Donahue pointed out.

In the hundred years since the founding of the modern organized labor movement, Donahue said, the goal of labor has been "to increase the participation of workers in the economic wealth of this country."

A government that is mandated by the Constitution "to promote the general welfare" has a duty, Donahue emphasized, to help its disadvantaged citizens share the benefits of society. He added, "the entire economy has a stake and a vested interest in improving the participation of the poor and the disadvantaged as both producers and consumers."

DONAHUE PRAISED the Job Corps for "filling the gaps" between school and work left for many young people by the education system and by society.

"The Job Corps," he said, "has provided young people with a useful work experience, many for the first time in their lives. It has offered them a chance to get the sound, basic, education they need to function in our increasingly sophisticated and fast-paced world."

The AFL-CIO is proud of the eight affiliates "who have in a real sense 'joined the Jobs Corps' by offering a wide range of training in useful, lifetime skills that lead to decent jobs," Donahue said.

THOSE UNIONS include the Operating Engineers, Plasterers & Cement Masons, Railway & Airline Clerks, Auto Workers, National Maritime Union, Painters, Bricklayers and Carpenters.

Stressing the importance of the role of government in curbing joblessness, Donahue said the country "needs national policies that deal realistically and fairly with our economic problems, particularly with unemployment."

The AFL-CIO disagrees, he said, with the theory that government has no place in helping the disadvantaged. In a democracy, he pointed out, government has an obligation to provide citizens "who desperately need training and job opportunities that they have been unable to secure from any other sector."

"WE DO NOT believe," he asserted, "that massive tax cuts are the answer to the stimulation of the economy and the creation of jobs. We have strongly supported employment and training programs for both young people and adults, and we have opposed the budget cuts that have ended programs such as CETA and curtailed federal aid to vocational education."

He said direct, targeted training and job creation programs, fitted to the needs of disadvantaged workers have been "demonstrably more effective than past attempts to throw tax breaks at industry with the hope and prayer that the money will be used to create jobs—and not to acquire a department store chain or move operations to Taiwan."

Donahue pledged the AFL-CIO's continued support for full funding of Job Corps programs.

October Schedule Listed By Labor Studies Center

The George Meany Center for Labor Studies has five training institutes for full-time union officers and representatives at its Silver Spring, Md., campus in October. In addition, six unions, one AFL-CIO department and the American Institute for Free Labor Development (AIFLD) are using the campus for their own training programs. The schedule:

Issues in the Economy, Oct. 5-7—A three-day seminar on the environment for collective bargaining, supply-side economics, the new tax structure and merger mania.

Labor Law, Oct. 11-16—A short course for non-lawyers covering the laws on internal union affairs, organizing, bargaining, duty of fair representation, equal opportunity, ERISA and OSHA.

Pension Investment, Oct. 13-15—A two-day institute for labor trustees of joint union-management pension plans covering investment policy, pension planning, and sound investment policy.

Media Relations, Oct. 18-23—An institute to help officers of state and local central bodies improve relations with television, radio and the press. Topics include coping with TV, speaking before the camera, radio and cable opportunities, writing news releases and preparing beeper tapes.

Basic Skills for Union Leaders, Oct. 25-30—Workshops on how to read faster and remember more, speak more effectively, write more clearly, and chair a union meeting.

Unions using the campus for their own leadership training are the Service Employees, Oct. 4-9; Fire Fighters, Oct. 5-8; Operating Engineers, Oct. 8-9; Printing & Graphic Communications Union, Oct. 18-23; United Transportation Union, Oct. 18-30; and Letter Carriers, Oct. 30.

The AFL-CIO Dept. of Community Services will conduct a staff training session on campus, Oct. 25-28.

The AIFLD will welcome a new group of Spanish-speaking trade unionists from Latin America Oct. 12 for courses on industrial democracy and political theories, and the labor movement until Nov. 14.

Information on these and other labor study programs can be obtained from Fred K. Hoehler, Jr., executive director, George Meany Center, 10000 New Hampshire Ave., Silver Spring, Md. 20903. Telephone: 301/431-6400.

Morris Iushewitz Dies, Retired New York Leader

New York—Morris Iushewitz, who retired in 1974 as secretary of the New York City AFL-CIO, died Sept. 18 after a long illness. He was 79.

Iushewitz was a founding member of the Newspaper Guild and served as secretary-treasurer of the New York State CIO during the 1940s. He also had been a member of the New York City board of education and a trustee of the State University of New York.

6,000 Gain Joint Accord At Square D

Nashville, Tenn.—A new agreement negotiated by a coordinated bargaining committee representing five unions has won pay boosts averaging $1.29 over three years for some 6,000 workers at 27 plants of the Square D Co.

The pact, approved by a 10 to 1 vote among rank-and-file members, was reached here after two months of talks at various other locations. Square D manufactures electrical and electronic components.

WORKERS' WAGES, now averaging $7.84 an hour, will rise by 62 cents an hour in the first year of the agreement, 34 cents in the second year, and 33 cents in the final year.

In addition, a cost-of-living clause providing quarterly adjustments of one cent an hour for each increase of three-tenths of 1 percent in the consumer price index was carried over from the old contract.

Union bargainers, whose efforts were coordinated by the AFL-CIO Industrial Union Dept., resisted company proposals to reinstitute a "cap," or ceiling, on COL payments and to require employee contributions toward health insurance. Over the life of the agreement, the parties estimated the value of the wage and benefit package at $3.52 an hour, assuming an 11 percent annual inflation rate.

MEMBERS OF THE coordinated bargaining team were from the International Brotherhood of Electrical Workers, which represents about 3,800 of the employees; the Machinists, representing 1,600; the unaffiliated Teamsters, 375; the Molders, 190, and the Auto Workers, 70.

Square D, whose largest plant employing about 900 workers is in Lexington, Ky., also agreed to a payroll checkoff of workers' voluntary contributions to their unions' political action committees.

Other provisions of the new contract call for a new personal leave program giving workers four days off in each of the first and second years of the agreement and five days in the third year, a new prescription drug plan, and dental coverage paying 80 percent of all charges up to a $1,000 maximum for an employee and each of his dependents.

North Carolina Delegates Elect New President

Raleigh, N.C.—E. A. Britt, secretary-treasurer of the North Carolina AFL-CIO for the past six years, was elected president over incumbent Wilbur Hobby at the state labor federation's annual convention here. Britt received 30,970 weighted votes to Hobby's 19,330.

The nearly 400 convention delegates elected Britt's entire slate to two-year terms, including Sec.-Treas. Christopher Scott, seven new vice presidents and 18 incumbent vice presidents.

BRITT, 51, served as president of the Wilmington AFL-CIO and headed the North Carolina Council of Paperworkers before he was elected secretary-treasurer of the state labor federation in 1975. Hobby had been state president since 1969.

Scott, a state legislative representative for the Communications Workers, defeated James Andrews of the Food & Commercial Workers.

IN SETTING labor's agenda for the 1982 "short session" of the state legislature, delegates put a priority on improving coverage of workers' compensation beyond on-the-job accidents. The state program currently has severe restrictions on providing benefits for occupational disease.

Delegates also called on Congress to reject efforts to weaken the Davis-Bacon prevailing wage law and attempts to extend the Hobbs Act to picket line disturbances.

Selective Controls

Credit Policies Pressed To Solve Housing Crisis

The AFL-CIO renewed its call for the imposition of selective credit controls to help solve the housing dilemma facing the country.

"We should turn away from the disastrous reliance on tight money to fight inflation," Director Henry B. Schechter of the federation's Office of Housing & Monetary Policy declared in testimony before the House Subcommittee on Housing & Community Development.

"THE PRESIDENT should authorize the 'Fed' (Federal Reserve Board) to use selective credit controls to channel credit for productive purposes," Schechter said. Such purposes would include farming, home mortgages, financing of capital equipment, cars, and trucks, and new residential, industrial and commercial construction.

"If selective credit regulations were used to defer capital investment that is not urgent and bring interest rates down to affordable housing levels, the depository institutions specializing in home financing. could remain in that business, a needed higher level of residential construction could again be achieved, and the economy as a whole would be in a healthier condition," Schechter said.

The combination of inflated prices due to a shortage of houses, plus mortgage interest rates that have soared to 18 percent and more have "devastated" the housing market, Schechter observed.

FROM A LEVEL of 2 million in 1977 and 1978, annual housing unit starts declined to 1.8 million in 1979 and 1.3 million in 1980, Schechter pointed out. An annual starts rate of 1.1 million in 1981 would be "an optimistic estimate," he said.

The downward trend continues, with the seasonally adjusted annual rate down to 937,000 for August, he noted, adding that "this trend is likely to be prolonged until the continuation of current monetary and fiscal policies deepens the economic recession to a level at which long-term funds for housing and business are not in much demand."

The current economic pattern is apparent in the September jobless figures, he noted. Of the nearly 8 million Americans unemployed in September, 828,000 were construction workers, he pointed out. Sales of new and existing homes have declined sharply, and rental vacancies are at record low levels. Condominium conversions have further reduced the supply of rental units, and rental housing development has ground to a halt.

UNLIKE PREVIOUS similar periods of sharp downturns in home building, Schechter observed, there are no emergency programs today to provide below-market-rate mortgage financing. Another unique feature of today's housing market is the avowed intention of the Federal Reserve Board to continue its tight-money policy until inflation is licked, he said. This has resulted in a spate of construction industry bankruptcies—up 49 percent in the first 35 weeks of 1981 compared to the same quarter a year earlier.

As long as credit allocation is left to market forces, reinforced by a monetary policy that drives up interest rates, the home buyer simply cannot compete for funds with large corporations and businesses, Schechter said.

"EXPERIENCE BOTH here and abroad demonstrates that credit controls provide a viable alternative to slowing down the money supply," he observed. The brief implementation of credit controls in 1980 under the Carter Administration proved helpful in rapidly bringing down interest rates, he noted.

As a result the decline in home building and general economic activity was reversed.

The 1969 Credit Control Act gives the President the authority to use flexible credit controls as a supplement to general monetary policy. Schechter pointed out. He said the AFL-CIO strongly supports making this authority permanent before its scheduled expiration next June, and using it now to bring down interest rates and revive key sectors of the economy.



TECHNOLOGICAL CHANGES in the printing industry and their impact on workers are discussed by Graphic Arts Vice President William A. Schroeder and Alfred Kaufman, assistant secretary general of the International Graphic Federation, at an International Labor Organization conference in Geneva.

ILO Urged to Explore Impact Of New Printing Technology

Geneva—Employer and government representatives joined trade unionists in calling on the International Labor Organization to keep a close watch on the social impact of technological developments that are revolutionizing the printing and allied trades.

"The innovations are coming so fast that we cannot afford to leave undetermined the time between meetings," William A. Schroeder, vice president of the Graphic Arts International Union, commented after a 10-day ILO session on the printing industry.

NOTING THAT 19 years had elapsed since the ILO had last held a meeting on the printing industry, Schroeder expressed strong satisfaction at the unanimous call addressed to the ILO Governing Body for further sessions at intervals of no more than five years.

Schroeder, who was the worker member of the U.S. delegation to the 24-nation meeting, said he had been impressed "by the genuine concern the delegates showed for the social consequences in all nations of the industry's rapidly changing technology."

The conference agreed that the continuing structural and technological developments require close study of their impact on employment and job and income security of the industry's workers. Working conditions and occupational safety and health should also be included on the agenda of the next meeting, the report said.

CONSIDERATION of possible reductions in working times as a means of preserving jobs was likewise urged. A comprehensive analysis on how such reductions could help safeguard employment is to be undertaken by the ILO in preparation for the next meeting on the printing and allied trades.

Schroeder also welcomed the conference's call for an extensive study of the "full range of possible psychological, physical and other effects" on workers from their increasing use of video display units on the job.

After some hesitation, employer delegates went along with a resolution asking the Governing Body to include the printing industry among those in which the social and labor practices of multinational firms are being examined by the ILO.

"At least we will be taking a look at what is going on," Schroeder commented after remarking that many frontier-jumping companies are "without social conscience."

The GAIU had a second representative at the ILO session. Vice President Leonard Paquette was the worker member of the Canadian delegation and served as vice chairman of a committee that explored the training and the retraining of workers in the industry to meet the challenge of technological changes.

Study Refutes Subminimum Wage Claims

New York—A new study has taken sharp issue with claims that the federal minimum wage is a significant factor in the high unemployment of minority youth.

The study, commissioned by the League for Industrial Democracy and written by social scientist B. Bruce-Briggs, declares that evidence of a major impact on minority teenage unemployment is "unsubstantiated and unconvincing" and urges that "meddling with the minimum wage should be well toward the bottom of everybody's list of priorities."

Arch Puddington, executive director of the LID, said the organization had commissioned the study "because we were convinced that there was a great deal of misinformation and downright propaganda being circulated about the minimum wage." The LID is a labor-supported research and educational organization which focuses on social and economic policy and international human rights.

"THIS STUDY demolishes the arguments of the critics of the minimum wage," Puddington said.

While some conservatives have called for outright abolition of the minimum wage, the most commonly advanced proposal calls for the establishment of a special "subminimum" wage for teenagers at a rate lower than the minimum wage rate for adults. The arguments of two leading proponents of a teenage subminimum, economists Walter Williams and Thomas Sowell, are examined in detail in the study.

Among the points advanced by Bruce-Briggs in the study, titled "The Minimum Wage Muddle," are the following:

- Minimum wage critics have consistently ignored the impact of inflation on minimum wage rates. The value of the minimum wage, after taking inflation into consideration, was $1.25 in 1980, a figure no higher than the inflation-adjusted figure for the year 1963. Indeed, the study concludes that the value of the minimum wage "has not really increased since 1950" because of inflation.

- The minimum wage has not significantly changed as a percentage of the average wage of an individual worker for the past thirty years.

- The 42 years since the inception of the minimum wage have seen, until the past decade, "our longest sustained economic growth, which resulted in the first prosperous working class in history and the largest business profits." Although the study does not suggest that the minimum wage caused this boom, "just as surely it did not hinder it."

- Black workers generally, and teenage black workers in particular, are confronted with a series of special employment hurdles having nothing to do with the minimum wage, but which are often ignored by the proponents of a teenage subminimum. These problems include the shift of manufacturing jobs from inner cities to the suburbs, a large increase in minority birth rates which has increased job competition, the trend towards young women seeking jobs that in the past were filled by young males, and the increased number of minority youth attending college and therefore not looking for work.

THE STUDY concludes that "the most important determinant of non-white youth unemployment rates is most likely that of all unemployment rates — the overall health of the economy. . . . The gains to be made from modification of our minimum wage laws have not been demonstrated, and our economic condition, while hardly optimum, cannot be described as desperate. And in any event, we should concern ourselves with adult heads of family first."

Sadat Mourned as Leader, Peacemaker

AFL-CIO President Lane Kirkland, in a telegram to the widow of assassinated Egyptian President Anwar Sadat, praised Sadat as "one of the world's great statesmen."

Kirkland, who extended the federation's sympathies and condolences, said that he was "deeply shocked and saddened" by Sadat's death. "He enjoyed the respect of all who knew him and shared his dreams for peace and freedom in the Middle East," he said.

Kirkland and AFL-CIO Sec.-Treas. Thomas R. Donahue sent similar messages to Saad Ahmed, president of the Egyptian Federation of Labor, and to Ashraf A. Ghorbal, the Egyptian ambassador to the United States.

Betty Kaye Taylor Named To N.Y. State Labor Post

Albany, N.Y.—Betty Kaye Taylor, former assistant director of the Jewish Labor Committee, has been named deputy commissioner of the New York State's Labor Dept.

Prior to joining the JLC in 1948, Taylor had been an organizer for the Ladies' Garment Workers in Milwaukee.

Alfred Shibley Dies, Retired AFL-CIO Staffer

Lorain, Ohio—Alfred C. Shibley, who retired in 1973 as an AFL-CIO field representative, died Oct. 1 after a heart attack. He was 73.

Shibley had served as treasurer of the Lorain County AFL-CIO since the mid-1950s and had been secretary-treasurer of county federation of labor for 15 years prior to merger. He also had been a member of the International Typographical Union for more than 50 years.

Survivors include his wife Gloria and three daughters. Services were held Oct. 5 and burial was at Ridgehill Memorial Park.

Reagan's Very Own Budget

PRESIDENT REAGAN doesn't have Jimmy Carter's budget to kick around any more. As of the new fiscal year, the federal budget is all his. So were the mistaken economic projections on which he based it. So is the formidable deficit that he now belatedly foresees, and so are the reckless tax cuts that caused it.

Anyone can make mistakes, and Mr. Reagan could easily correct his. He could do it simply by asking Congress to rescind or delay the effective date of some of the most flagrantly misguided and unneeded tax windfalls that he has distributed to the rich.

But that would be the easy way. Rather than allow a single raindrop to fall on the rich, Mr. Reagan chooses to further soak the poor, including the unemployed who are already struggling to keep their heads above water.

THE AFL-CIO has pointed out two actions that would save the Treasury $10 billion in 1982 alone: First, eliminate the tax giveaways to oil companies and oil royalty owners; second, limit the individual income tax cut to $700 in 1982, cutting back some of the huge tax windfalls to the extremely wealthy. Every American earning less than $42,500 a year would get his full tax cut; those earning more would get $700.

Mr. Reagan is urging Congress to keep hands off the enormous largess earmarked for energy suppliers and, instead, to impose new income taxes on unemployment benefits and to eliminate the modest tax credits that encourage home conservation of energy.

At the same time, he has called for another round of budget cuts affecting domestic programs that have already been slashed to levels that are less than humane.

In assuring the public that the proposed new cuts would reduce all federal programs other than defense and guaranteed programs such as social security by "only" an additional 12 percent, Mr. Reagan has understated his intentions.

THE FACT IS that in many programs these 12-percent cuts would be taken from the base he set in his original budget proposals of last March, not from the spending base to which Congress ultimately agreed, with Mr. Reagan's approval.

Here are a few of the cuts that would go far beyond 12 percent:

- Aid to low-income families to meet soaring energy costs actually would be cut 34 percent.
- Education aid for the handicapped actually would be cut 29 percent.
- Guaranteed student loans actually would be cut 43 percent.
- Federal highway programs would be cut 14 percent.
- The Economic Development Assistance program for needed local public works projects actually would be cut 89 percent.
- Education assistance to needy children actually would be cut 29 percent.
- Amtrak actually would be cut 46 percent, and Conrail would be cut 89 percent.

Mr. Reagan's political and social philosophies are perfectly consistent. Those who benefit the most from his policies are to reap the benefits even of his mistakes. Those who have been most injured by those policies have to pay for his blunders, as well.

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THOMAS R. DONAHUE, *Secretary-Treasurer*

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Washington Today

Absurd School Lunch Rules Product of Broader Absurdity

By Gus Tyler

REAGAN'S TROUBLE with his ill-fated school lunch program is one of those little things that tells us much about many bigger things. The fuss offers an insight into a state of mind that is so absurd it is no longer recognizable as absurd.

The first absurdity was to cut the school lunch program from $4.5 to $3 billion in 1982 to save $1.5 billion. If Uncle Sam could not afford that billion or so, he could easily have picked up the necessary funds by denying tax cuts to millionaires who will be fattened by billions in 1982. But, in the topsy turvy world of Washington today, the richest were made richer at the expense of kids.

THE SECOND absurdity was the set of regulations that came from the Dept. of Agriculture on just how to save the billion and a half dollars. The responsibility was placed with Agriculture because the whole idea of a school lunch program did not originally spring from compassion for the kids but from a desire to provide a solid, steady, subsidized market for farm products.

That, in itself, may seem like an absurdity to some. But what struck many as tragi-comic were the actual dietary "regs" put out by the department.

The pundits had a field day with their verbal punts, kicking around an Uncle Sam turned Uncle Scrooge, turning our children into so many Oliver Twists begging for two more ounces of milk or a less transparent hamburger. The one "reg" that promised endless entertainment officially certified catsup and pickle relish to be true-blue vegetables.

THE FIRST RESPONSE of various Administration spokesmen was to defend the "regs." Despite all these cutbacks on nutrients, they said, there would be a "safety net" underneath the truly needy bellies. But the more they spoke, the more ridicule they inspired.

Finally, the President himself stepped in. He was against these regulations. Indeed, he said, they were so obviously absurd that they must be an act of "bureaucratic sabotage."

How could anyone have put together such stupid regulations? Obviously there was someone in the Dept. of Agriculture who was out to embarrass the Reagan regime and had carried through this *reductio ad absurdum* as an act of "sabotage."

Reagan's comment, of course, prompted an immediate investigation. After which the Secretary of Agriculture announced:

"It's safe to say he (Reagan) no longer feels it was sabotage, and that it was a legitimate attempt to change the standards in response to budget needs."

The poor soul who wrote the regs! How was he to know what was absurd in the world of the absurd that is Washington today?

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Even the 'Trickle' Has Halted for Poor

The myth-makers are wrong: Poverty has not been abolished—and there are no signs that it will be in the near future. Growth in the private economy has largely ceased to 'trickle down' to the poor in the form of jobs, better income, and a more rewarding and productive role in society. . . .

In the immediate future—as well as in the long run—our national priorities must take into account the millions of Americans who, through no fault of their own, cannot find jobs and who are in desperate need of basic social services.

Attempts to balance the budget—at the expense of social programs—and efforts to deliberately shift the economy into a recession—with its concomitant hardships for those who are least able to withstand its effects—will not only fail to make significant inroads towards reducing inflation, but will aggravate our economic problems as well.

Moreover, they may also make it even more difficult to balance the budget if the result is sharply increased unemployment. It is estimated that each one percent increase in unemployment will cost the federal government, and the nation as a whole, approximately $29 billion as a combination of lost revenue and increased transfer payments. Thus, such policies may bring the budget more rather than less out of balance.

—From "Poverty in the Eighties," the final report of the National Advisory Council on Economic Opportunity, September 1981.

'Rube Goldberg Contraption'

Consumer 'Choice' Health Plan Would Lift Costs, Cut Benefits

The following summarizes AFL-CIO testimony to a House Ways & Means subcommittee opposing legislation that would limit tax exemptions for employer-paid health care plans.

WE CANNOT ACCEPT the unfounded premise that competition in the health care industry can contain health care costs as proposed by three bills now before Congress.

If Congress were to be misled into enacting such a fanciful scheme to deregulate the health care industry and to substitute competition and the marketplace as a cost containment strategy, the result would be exactly the opposite of that intended by the proponents. Health care costs would increase, not decrease. More, not less, regulation would be required to force the non-competitive health industry into a competitive mold.

There is no magic solution to cost containment in the health care field other than placing controls and/or incentives on physicians. Fee schedules in lieu of open end reimbursement could control costs as could cost containment incentives such as capitation payments for physician services.

ALL THREE BILLS would require employers to offer their employees a choice of more than one insurance or prepayment plan. They would require employers to contribute the same amount for each employee in the plan. The employer contribution would be subject to a ceiling. After the ceiling is exceeded, the employee would be subject to income tax for the excess contributions.

Employees who might desire a plan with comprehensive benefits and no co-payments would have to pay extra out of gross or pretaxed income. Those who elected a plan with minimal benefits and with deductibles and co-payments (or other limitations) costing less than the employer contribution would receive a tax-exempt refund for electing to be covered by the low-cost plan. In effect, this is a bribe for employees to disinsure themselves and try to pay out-of-pocket for health services they may require if they become sick.

CENTRAL TO the cost containment strategy of these bills is the notion that by establishing a ceiling on employer contributions for health insurance, employees and other consumers of health services would be encouraged to shop around for the less expensive physicians, hospitals, insurers and health maintenance organizations and that in turn, through the invisible hand of competition, providers and insurers would be forced to reduce costs.

It is, therefore, assumed by the proponents of these bills that the delivery of health services can be adapted or transformed into the competitive economic model now exceedingly rare today where the national marketplace is dominated by major corporations and even the world market is dominated by multinational corporations. The fact that the medical care market is dominated by physicians is ignored. Any rational cost containment strategy must address itself to this issue. These bills do not.

Even the most enthusiastic supporters of the competition theory know it is the doctor who controls medical care costs so they have concocted an indirect way of pressuring physicians to control health care costs.

IN ORDER TO appeal to the presumed "cost conscious" consumer, third parties would compete for customers on the basis of lower premium costs. Insurers would, then, pressure physicians to control medical care costs who in turn would then be motivated to form health maintenance organizations or other forms of organized health care delivery systems.

This Rube Goldberg contraption is supposed to in some way, somehow contain health care costs.

One of the bills proposes to allow Medicare beneficiaries a choice of public or private insurance. It is alleged this will reduce medical care costs for the disabled and the elderly. The cost of administration of the Medicare program is only 3.1 percent of benefit payments. The cost of private insurance exceeds 12 percent.

IT WOULD BE impossible, therefore, for private insurance to match the overhead cost of the public program. It can be suspected that the sponsors of the bill may have their doubts since the bill prohibits a Medicare beneficiary from returning to the public program once he or she opts out. Freedom of choice would be denied to Medicare beneficiaries if they made a mistake.

All of the competition bills would levy a regressive tax on all employees having comprehensive health insurance coverage. For example, for an average family of four, one-half of the recently enacted tax cut would be taken away. Many poor families with below average incomes or large families could lose their entire cut.

Unions have fought over the years for comprehensive health insurance programs. This is what union members and all consumers want. The AFL-CIO is determined to preserve the gains that have been made through collective bargaining.

Deepest in 25 Years

High Mortgage Rates at Root Of Severe Slump in Housing

THE HOUSING INDUSTRY is suffering the lowest production of new units since the post-war economic dislocation period 25 years ago, AFL-CIO housing expert Henry Schechter, said on Labor News Conference.

The problem is not lack of demand for housing units, Schechter said. He pointed out that fewer than half the units needed just to keep pace with demand will actually be built this year. The severity of the short supply of housing has been on the rise over the last two years, he said, and is resulting in a substantial reduction of living standards.

"More than 1.6 million American families are forced to live doubled up—two families living together in a single unit," Schechter pointed out. He said the lag in production—though not as severe as it is this year—stretches back to the Seventies, when some 2.5 million units were added "by making two-family homes out of one-family homes," many built in attics and basements.

Schechter said the Administration's tight-money and high-interest rate policies have forced almost everyone "except the very well-to-do, most of whom are already well-housed," out of the housing market.

"Similarly," he said, "there will be practically no multi-family rental housing construction . . . except for a few luxury apartment projects and some subsidized housing still in the pipeline," until the Administration and the Federal Reserve Board ease their policies, which are the "central factor" in the recession that grips the housing and construction industries.

Schechter noted that nearly 900,000 construction workers are now jobless and the direct impact of that unemployment is probably double, because for every job in housing construction there is a non-construction job to supply materials.

HE SAID THE so-called all-savers certificate scheme will not prove to be much help to the housing industry. While it will probably draw a lot of new money into savings and loans and other institutions, it is only a "one-shot, one-year deal," and lenders "will be very wary of putting one-year money" into long-term housing mortgages, he predicted.

Schechter renewed the call for the kind of credit controls used for a short period last year, which quickly brought down both prime and mortgage interest rates and boosted both the housing industry and the overall economy.

Washington Window

By Press Associates, Inc.

THERE IS A CERTAIN knack in Congress for attaching worthy-sounding labels to bills to make them more palatable and even enticing to legislators.

Who could be against "consumer choice" health plans? What sounds more American? Or call them "competition" health plans. What could be more efficient?

There are some 50 million Americans lacking adequate health coverage. Entire areas are underserved, such as Appalachia, the rural South and the ghettos.

Instead of moving toward more universal coverage and effective cost control, perhaps along the lines of the successful program in Canada, Congress is threatening to go in the opposite direction.

A House Ways & Means panel has taken up several so-called competition plans to lower costs through price competition, and union experts do not like what they see.

"These are not health insurance programs; they are 'have less' plans," declared Douglas Fraser, president of the United Auto Workers and head of the Committee for National Health Insurance.

"WORKERS WOULD have increased costs and union-negotiated contracts would be undermined," Fraser said. He also said attempts by employers to introduce co-insurance and deductibles, which the health care competition bills seek to do, have caused strikes in the auto and mining industries.

Three competition health insurance proposals are before Congress in bills introduced by Rep. Richard A. Gephardt (D-Mo.), Sen. David F. Durenberger (R-Minn.) and Sen. Orrin G. Hatch (R-Utah). The Administration also is reported to be considering its own health care reform legislative proposal based on the competition idea, but it won't be introduced until later in the year.

All three bills use a similar approach. Employers would be required to offer a choice of more than one insurance or pre-payment plan to employees, usually a high, medium and low-cost plan. Employers, who may now deduct their contributions to employee health insurance from business income taxes, would be allowed to deduct only a certain maximum premium payment.

The economic theory behind the bills is that employees would be encouraged to select lower-coverage, lower-cost health insurance plans, and insurance companies would be encouraged to compete by offering low-cost plans. This competition among insurance companies theoretically would lower health care costs.

But that's not how it would work in reality, in labor's view.

"In effect, this is a bribe for employees to disinsure themselves and try to pay out-of-pocket for health services they may require if they become sick," AFL-CIO Social Security Director Bert Seidman told the House panel.

The causes of rising costs in the health care industry are the fee-for-service system of reimbursing physicians and cost-plus reimbursement of hospitals, it was pointed out.

THE FIRST encourages physicians to order unnecessary visits or other treatment to increase their income. The second encourages hospitals to compete for doctors, and indirectly for patients, by investing in high-cost technological equipment, which doctors prefer, without regard for cost or cost-effectiveness.

Other criticisms leveled at the competition heatlh care proposals include these points:

- Lower-cost health insurance would mean fewer benefits and higher deductibles. Total health care costs would not be lowered by higher deductibles. Consumers would merely be absorbing high costs through out-of-pocket payments.
- Although the bills purport to reduce regulation, they merely introduce different, not less, regulation into the industry.
- The bills assume that consumers with health insurance that costs them little tend to go to doctors more frequently, thus driving up health care costs. Only 16 percent of doctors' office visits are initiated by patients, Seidman pointed out.



TIGHT MONEY and high interest rates are stifling housing production and fueling high unemployment in construction and allied supply industries, AFL-CIO housing expert Henry Schechter, center, said on Labor News Conference. Schechter was questioned by Robert Cooney, left, of Press Associates, Inc., and Dale McFeatters of the Scripps-Howard Newspapers.

Panel Warns Reagan Cuts Add to Plight of Poor

Administration cuts in job training, social services and anti-poverty programs will only add to the despair of disadvantaged Americans and "could very well shatter the social equilibrium of our nation," a government advisory panel warned in its final report on poverty in the United States.

"Attempts to balance the budget—at the expense of social programs—and efforts to deliberately shift the economy into a recession—with its concommitant hardships for those who are least able to withstand its effects—will not only fail to make significant inroads toward reducing inflation, but will aggravate our economic problems as well," the National Advisory Council on Economic Opportunity added in its report, "The American Promise: Equal Justice and Economic Opportunity."

THE "TRICKLE-DOWN" economic policies of the Reagan Administration will not work, the council warned, and "only those comprehensive and national economic revitalization efforts targeted specifically toward disadvantaged communities and the jobless" will be effectively combat poverty in the 1980s.

Arthur I. Blaustein, who chaired the panel, accused the Administration of separating economic theory from social policy and pursuing the former at the expense of the latter." He warned that there will be a price to pay for the cuts in human and social services.

"That price is that these cutbacks will not reduce crime; they will increase it. They will not reduce the use of drugs; they will increase it. They will not reduce alcoholism; they will increase it. They will not promote better family life; they will destabilize it. They will not increase respect for the law; they will weaken it," said Blaustein. He is director of the National Economic Development & Law Center, which provides assistance to legal service attorneys and community organizations.

THE NATIONAL Advisory Council on Economic Opportunity, which itself was abolished when the Administration's $35 billion cuts in social and other federal spending took effect Oct. 1, was created in 1967 as part of President Johnson's "war on poverty." Its presidentially appointed members included UAW Vice President Irving Bluestone, who has since retired.

Chairman Blaustein warned that the "radical changes" effected by the Reagan budget reductions have not yet sunk in on the national consciousness, "but the day of reckoning will come shortly." Oct. 1 "will be remembered as a day of infamy, for it will mark the worst massacre of social and human-service programs in American history," he said.

Blaustein said his remarks and the report of the committee were not influenced by partisan considerations or the council's administrative death. "These conclusions were reached long before there was an announcement of phaseout for the council," he said.

Instead of cutting programs for the poor, the council said, the President and Congress should extend the 1964 Economic Opportunity Act, which established the 15-member panel.

The council attacked what it called the "myth" that poverty has been abolished in the United States, and disputed the "mistaken" view of some economists that the reduction in the poverty population had been a result of growth in the private sector. Despite significant gains in the battle against poverty, there are still 25 million poor Americans and another 30 million near poor, "so that, in effect, one-third of our citizens are materially deprived," the panel observed.

"The myth-makers are wrong: Poverty has not been abolished—and there are no signs that it will be in the near future. It is not simply that some groups have not done as well as others, or that we have not gone far enough. The problem is deeper," the council said in its report.

"Growth in the private economy has largely ceased to 'trickle down' to the poor in the form of jobs, better income, and a more rewarding and productive role in society. This is increasingly true, even in the South and rural areas where in earlier years economic development had the strongest impact on poverty rates."

THE STUBBORN persistence of poverty in the face of economic growth results in part from changing nature of the poverty population, the council noted. Unbalanced national growth in the inner cities in the past decade has spawned a growing number of what it called the "new" poor, heavily made up of female householders and their children, and even more disproportionately minority than in the past.

Because few of these people can be absorbed into the private economy without special assistance and support, the council said, the "massive suffering" that the Reagan budget cuts will bring "cannot be balanced by any credible long-range benefits from the Administration's program—even under the most optimistic assumptions. Any economic "renewal" that might take place from Administration policies would occur at the expense of "stable, rewarding family lives and genuine work opportunities for the poor and their children," it declared.

Blaustein added that "we are watching a great tragedy unfurl before us. The steady drumbeat of rhetoric emanating from Administration officials and shrewdly orchestrated by the White House is intended to create, and has heretofore succeeded in creating, a counter-reality and new myths with respect to social policy.

"FOR EXAMPLE, by continuously referring to economic opportunity and equal justice programs as 'welfare' programs, the Administration has misled the American public. These programs are, in fact, designed to achieve the opposite, to create jobs and economic opportunities and to encourage people who are dependent upon welfare to become productive citizens and taxpayers.

"By seeking to eliminate these programs and substituting its own policies, the Administration will deny upward mobility to millions on welfare and will force many of the working poor into welfare dependency. By shifting program authority from the federal government to the states through block grants, the Administration has created a bureaucratic nightmare that will result in government by provisional catastrophe."



LEGISLATION IS SIGNED by California Gov. Edmund G. Brown, Jr., permitting local government bodies to negotiate agency shop agreements with public employee unions. Present for the signing ceremony were Assemblyman Curtis R. Tucker, seated left, a chief sponsor of the bill; John F. Henning, executive secretary-treasurer of the California AFL-CIO, and Tim Twomey, vice president of the Service Employees; standing, Ron Woods of the State Council of Operating Engineers, left, and James S. Lee, president of the State Building & Construction Trades Council.

New California Law Allows Local Agency Shop Pacts

Sacramento, Calif.—Labor-backed legislation authorizing all local government bodies to negotiate agency shop contracts with public employee unions was signed into law by Gov. Edmund G. Brown, Jr.

The measure, which takes effect next Jan. 1, permits bargaining for contract language to require city, county and district public employees to join the union that represents them or pay a service fee covering the cost of representation. State employees are not covered by the law.

PASSAGE OF the agency shop bill culminated a 10-year campaign in the state legislature by the California AFL-CIO. Final approval came on the last day of the 1981 session with an Assembly vote of 43 to 32. The Senate had passed the measure earlier by a vote of 21 to 16 after rejecting a series of crippling amendments.

John F. Henning, executive secretary-treasurer of the State AFL-CIO, hailed passage of the bill "because it helps to strengthen public employee unions in California at a time when the national administration has launched the most massive assault on the rights of workers—both public and private—in the past half-century."

At a bill-signing ceremony, Brown said the legislation "recognizes the basic service which unions perform for their members." He noted that all employees would now pay a fair share toward the cost of union contract bargaining and union protection.

THE MEASURE exempts management, supervisory and confidential employees from the agency shop provision. It also exempts workers who are members of religious groups which historically have objected to the support of employee organizations. For those workers, the law requires they pay an equal sum to non-religious, non-labor charitable organizations.

Several local unions already have contracts providing for the agency shop pending the effective date of the new law.

'Competition' Health Schemes Would Boost Patient Costs

(Continued from Page 1)

tion would result and force a reduction in costs.

The trouble is that this theory will not work, Seidman told the panel, because it is the doctor, not the patient, who dominates the demand for health services.

"PHYSICIANS control 70 to 75 percent of all health care expenditures," he pointed out. "Patients cannot just check into a hospital; they have to be admitted by their doctor. Patients do not order lab tests; doctors do."

A Congressional Budget Office report indicated that the impact on overall costs of the "competition" plan would be negligible, possibly lowering costs 1 to 2 percent by 1988.

But Seidman warned that all three bills would levy a regressive tax on workers who carry comprehensive health insurance.

"Unions have fought over the years for comprehensive health insurance programs," he stressed. "The AFL-CIO is determined to preserve the gains that have been made through collective bargaining."

"WE ARE confident that Congress will not vote to increase taxes on the working population nor to vote to disinsure most Americans," he said.

Auto Workers President Douglas A. Fraser, chairman of the Committee for National Health Insurance, reinforced that point in his testimony. He stressed that the so-called "competition and consumer choice" legislation would not only fail to achieve intended goals, but would reverse years of progress in negotiated health care insurance programs.

"Perhaps the least understood aspect of these plans," Fraser said, "is that they are revenue-raising measures."

WHILE COSTS of health care programs would increase in total, coupled with higher out-of-pocket payments for consumers because of reduced coverage, the government would reap a huge windfall in new tax collections, Fraser warned. He cited government estimates that the resultant new tax take would amount to $4.1 billion in the first year of operation and rise to $9.4 billion by 1986.

Cathy Schoen, special assistant to the president of the Service Employees, told the panel that the measures before Congress would impose an especially heavy burden on low-wage workers.

"Many of our members in hospitals and nursing homes still cannot afford to pay for the care they deliver each day," Schoen stressed.

"The price we pay each year for protection against the cost of a possible illness and for access to decent care long ago impelled us to work for enactment of national health care legislation," she testified.

1980 Pay Boosts Average 14% for Top Executives

The pay of top corporate executives increased an average 14 percent during 1980, a private survey conducted for the Financial Executives Institute revealed.

Typically, executive pay increases are about 25 percent above the annual inflation rate but last year, with some industry exceptions, the average increase was essentially only equal to the rate, the institute observed.

The survey reviewed the salary and bonus pay levels of jobs in the executive and financial departments of 1,425 companies. By industry, the survey found the highest average total compensation—about $160,000—was paid to top executives in the mining, chemical, and petroleum industries. At the other end of the scale, the commercial banking industry paid its top executives the least, but still a hefty average of $84,500.

Increases ranged from a high of 23 percent in mining and 18 percent in business services, food products, and instruments to a low of 9 percent in wholesale trade and 3 percent in transportation equipment.

Executives in the Northeast earned the most, with average total compensation of $128,600, while executives with the lowest average pay, $94,900, lived in the Southwest.

Voting Rights Extension Bill Sent to Senate

(Continued from Page 1)

sures, including one allowing jurisdictions for the first time to end their coverage under the law.

This "bail-out" opportunity would come into play beginning in August 1984, and would allow those jurisdictions with demonstrably good records of non-discrimination to escape coverage under the Voting Rights Act if they can show that for the 10 years prior to 1984:

- They used no test or device designed to deny or limit an individual's right to vote because of race, color, or language.
- No federal court has found that they denied or abridged a person's voting rights.
- It was not necessary to send federal examiners into the jurisdiction to enforce election laws.
- They engaged in constructive efforts to eliminate intimidation and harassment of groups whose voting rights are protected under the law and to expand opportunities for registration and voting by minorities.

The nine states covered by the Voting Rights Act are Alabama, Georgia, Louisiana, Mississippi, South Carolina, Virginia, Alaska, Texas and Arizona. The areas in 13 other states still covered by the law are generally characterized by low voter participation by blacks and other minorities despite a high concentration of those groups within the jurisdictions.

PRESIDENT REAGAN has not taken a firm stand on the legislation, although he told a news conference last week that he was "wholeheartedly in favor, let's say in principle, of the Voting Rights Act."

Passage of the measure to extend the law's provisions is a high-priority objective of the AFL-CIO and civil rights groups.



CIVIL RIGHTS COMMITTEE of the AFL-CIO reviews federation's activities at its semi-annual meeting at federation headquarters. The committee, chaired by Actors & Artistes President Frederick O'Neal, center, discussed the Dept. of Civil Rights' current and future programs. The meeting focused on action to head off Reagan Administration plans to weaken federal contract compliance regulations that now open job opportunities to women and minorities.

House Spurns Reagan's Plea For More Cuts

(Continued from Page 1)

ciliation measure. It cut $43.7 million from the Work Incentive (WIN) program and $30.2 million from agency salaries and expenses.

The bill, which is second in size only to that of the defense appropriations bill, exceeds Reagan's request of last March by about $796 million, but is $3.9 billion more than the President sought in his Sept. 24 call for more cuts in these areas.

During debate on the measure, there was speculation that Reagan might veto the bill if it clears Congress as passed by the House. "It's excessive, and the President will surely consider it unacceptable," Republican leader Robert H. Michel (R-Ill.) said.

BUT WHILE GOP leaders appear to have the votes to sustain a veto, the heavy majority against recommittal shows widespread opposition to the President's bid for additional cuts.

Remaining in the bill is $400 million for youth employment and training under Title IVA of the Comprehensive Employment & Training Act, which the Administration did not request. The House inserted the funds after the Appropriations Committee recommended the money to ease the "unacceptably high" jobless rate among young people. The bill also includes $766 million for summer youth jobs, and $1.4 billion for continuation of Title IIB and IIC employment and training programs under CETA.

Gregg's proposal to reduce OSHA's coverage originally sought exemption from the law of businesses employing fewer than 50 workers. Had the House gone along, two-thirds of all the nation's firms would have been exempt from periodic safety inspections. The current exemption applies to firms with 10 or fewer employees—1.6 million small businesses.

'Trickle-Down' Policies Hit at Vermont Parley

Bennington, Vt.—The trickle-down economic policies the Reagan Administration is pursuing are clearly against the best interests of the nation's workers and the needy, AFL-CIO Sec.-Treas Thomas R. Donahue told the 25th anniversary convention of the Vermont State Labor Council.

Rather than making government responsive to the needs of its citizens, Donahue observed, the Administration is headed in the opposite direction.

"IT IS DEVOTED instead to making government less humane, giving an inordinate share of the nation's wealth to the rich and returning unrestricted power to the corporations," he declared. "That's what this Administration stands for, and that's why we oppose it."

Donahue expressed concern that President Reagan's actions could polarize the country—causing serious division in society.

"We have to hope that we can prevent that polarization from becoming too extreme," he said, "that we can continue to work in, and for, an America that doesn't perceive itself as a society rigidly divided by class, and with those classes at war with one another."

FOR THE PAST 100 years, the labor movement has sought to make America a better place for all its people, and it continues to play that role today, Donahue stressed.

In convention action, the 85 delegates voted a 5-cent increase in the per capita tax, raising monthly payments to 30 cents.

President Robert E. Clark, who has headed the State AFL-CIO since 1975, was re-elected to a new two-year term. Sec.-Treas. Carla Thomas and Executive Vice President Maurice Fortier were elected to their first full two-year terms. Delegates also elected 19 vice presidents.

FOCUSING ON legislative issues, the convention called for closing loopholes in the state's tax structure to insure that oil companies pay full taxes on profits, lifting limitations on workers' compensation benefits for permanent disability and death, and opposing attempts to set fixed payments on unemployment compensation rather than gearing benefits to two-thirds of the average state wage.

Speakers at the three-day convention in addition to Donahue included Vermont's congressional delegation—Senators Robert T. Stafford (R) and Patrick J. Leahy (D), and Rep. James M. Jeffords (R).

Hawaii AFL-CIO Names Epstein to Executive Post

Honolulu—Henry B. Epstein has been appointed executive secretary-treasurer of the Hawaii AFL-CIO, President Walter H. Kupau of the State federation announced.

Epstein, formerly a staff representative of the State, County & Municipal Employees and AFSCME Local 646, fills a position with the state body that has been vacant since Phil Mayer resigned last December.

Transit Union Convention Elects Rowland President

Hollywood, Fla. — Delegates to the Amalgamated Transit Union's 46th biennial convention here elected John W. Rowland as the union's new international president. Rowland defeated the incumbent, Dan V. Maroney, who had served in the position since 1973.

Rowland, 60, had served since 1976 as the union's executive vice president. For two years before that he was secretary-treasurer. His election as president marks the first time in the 89-year history of the union that one person has held all three top international offices.

ROWLAND BECAME a vice president of the ATU in 1964, after holding all elected positions in his home local in St. Louis.

James LaSala, a vice president since 1969, was elected executive vice president and Sec.-Treas. Raymond C. Wallace was re-elected, both by acclamation.

In other actions, the delegates adopted a resolution decrying the Reagan Administration's proposed phasing out of federal transit operating subsities over the next three years. The subsidies curently account for about 13 percent of public transit revenues.

"THE ELIMINATION of operating subsidies will result in a lessening of transit services and/or steep increases in fares, either or both of which will wipe out the significant progress mass transit has made in this country in the past decade," the resolution said. "Rather than ignore mass transit in the pursuit of the nation's energy conservation, economic and jobs goals, the Administration and Congress should actively promote and support it."

The convention also spoke out strongly against deregulation of the intercity bus industry, declaring that such a move would ignore the service needs of the general public, particularly those in smaller communities.

In other resolutions, the union renewed is call for implementation of no-fare or low-fare transit on a nationwide basis to increase the use of mass transit and at the same time help in the nation's energy conservation fight, opposed federal policing of pickets under the Hobbs Act, opposed decontrol of natural gas prices, endorsed extension of the Voting Rights Act, called for reduction in interest rates and a more equitable tax program, and opposed any further attempts by the Administration to tamper with the social security system.

Jobless Periods Hit 21.4 Million Persons in 1980

About 21.4 million workers 16 years and older were unemployed at some time during 1980, the Bureau of Labor Statistics reported. This is nearly 3 million more than 1979 and is the largest annual increase since 1974.

Persons who encountered some unemployment in 1980 represented 18.1 percent of all persons 16 years and older who worked or looked for work during the year. This proportion was significantly higher than the 15.8 percent in 1979 but still below the 20.2 percent recorded in 1975.

Of the 21.4 million affected workers, 18.8 million held at least one job during the year, while the remaining 2.6 million never worked although they made efforts to find work.

Among the workers with some unemployment, the proportion with two or more spells of joblessness was the same in both years—32 percent. However, the length of total unemployment did increase in 1980. In 1979, 33 percent of the unemployed looked for work 15 weeks or more. In 1980, that proportion increased to 41 percent.



NEW PRESIDENT of the Amalgamated Transit Union John W. Rowland, center, clasps hands with other members of the union's top leadership, Raymond C. Wallace, left, secretary-treasurer, and James LaSala, executive vice president.

Jobless Rate Shoots up to 7.5 Percent

(Continued from Page 1)

18 and 19 percent, house sales have screeched to a halt and sent the home-building industry into a tailspin.

THE SEPTEMBER rise in the jobless rate marked the second successive increase after three months of decline last summer. From 7 percent in July, the low for the year, the rate jumped to 7.2 percent in August before moving up to 7.5 percent last month.

"It's difficult to recall a quarter of the year in which we've had a rise of half a percentage point in the unemployment rate," said Rep. Henry S. Reuss (D-Wis.), chairman of the Joint Economic Committee. He termed the September figures "very disturbing."

Of special concern to Reuss and other economists is the continuing high rate of unemployment among blacks and other minorities. Their rate taken together inched up over the month to 15.1 percent from a previous record high of 15 percent in August, while the jobless rate for whites rose from 6.1 to 6.5 percent. Last month's 16.3 percent rate for blacks alone compared with 16.2 percent in August.

BLACK JOBLESSNESS has failed to show any improvement over the past year, Commissioner Norwood observed. Even though the jobless rate for black teenagers fell back to 37.5 percent in September after "an abnormally sharp" rise to 45.7 percent the month before, the rate for black teens remains much higher than for any other worker group, she noted.

Joblessness among white teens last month was 17 percent, up 1.4 percentage points from the August level. Overall, teenage unemployment rose five-tenths of 1 percent during the month to 19.3 percent.

Unemployment rates for adult men and women, at 6.2 and 6.8 percent, respectively, rose three-tenths of 1 percent each in September. The jobless rate for full-time workers jumped five-tenths of 1 percent to 7.2 percent while that of Hispanic workers declined four-tenths of 1 percent to 9.3 percent.

The number of nonfarm payroll jobs, at 91.9 million in September, remained about unchanged for the second month in a row. The only major over-the-month movements were a decline of about 150,000 in state and local government employment and an increase of 84,000 in service jobs.

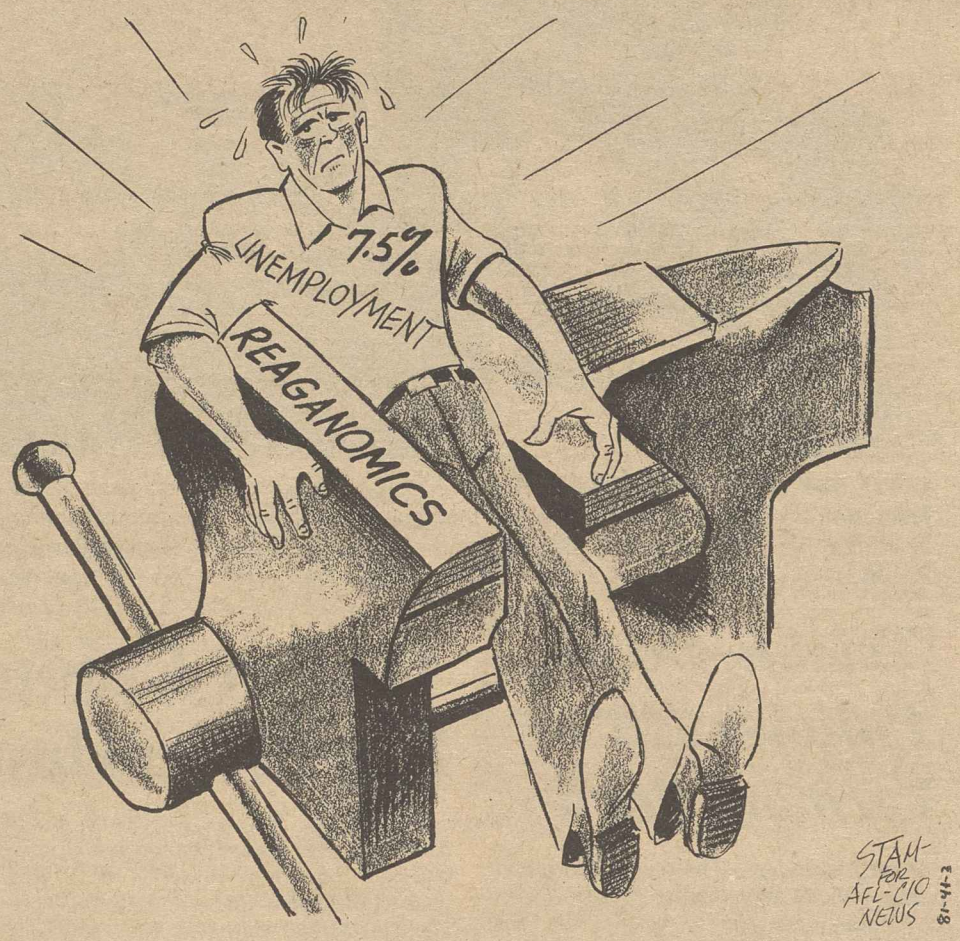
BLS SAID the drop in state and local government employment occurred primarily in local school systems, which hired fewer teachers and other personnel in September than they usually do. In the past year, state and local government jobs have declined by 400,000, a substantial shift from the previous pattern of continuing increases.

The average workweek of nonfarm payroll workers declined by three-tenths of an hour to 34.9 hours in September. In manufacturing, the workweek fell nine-tenths of an hour to 39.1 hours and average factory overtime dropped to 2.6 hours from three. These sharp drops in hours are generally harbingers of future layoffs.

10/10/81

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Another Turn of the Screw



Labor Cites Anti-Unionism Of Reagan's NLRB Choice

Anyone who doesn't accept the central thrust of basic national labor policy—that the right of workers to form and join unions is proper and contributes to industrial peace and justice—ought not to head the agency charged with administering that policy, the AFL-CIO said in pressing its opposition to President Reagan's nomination of John R. Van de Water as chairman of the National Labor Relations Board.

Expanding on his earlier testimony against the Van de Water nomination, AFL-CIO Sec.-Treas. Thomas R. Donahue said in a letter to Sen. Orrin G. Hatch, chairman of the Senate Labor & Human Resources Committee:

"WE OPPOSE Mr. Van de Water to be NLRB chairman because his management consultant activities, as we understand them, show him to be an active anti-union partisan, opposed to the exercise by employees of their right to choose union representation, and opposed to people's efforts to gain access to collective bargaining.

"We do not believe that union organizers or management opposers of organization should serve on the NLRB."

Donahue submitted materials with his letter showing that the 64-year-old California attorney has "demonstrated an anti-union animus" through much of his career.

In an article titled "How to Deal with the Union," published in the early 1970s, Van de Water repeatedly "stresses that union organization is an evil which management should fight and that where organization has already occurred it can and should be undone," Donahue observed.

Donahue also submitted a list compiled by the AFL-CIO's Los Angeles-Orange County Organizing Committee for 1964-72 showing that the nominee's management consulting firm, Van de Water Associates, served in at least 18 campaigns to defeat efforts of workers to organize unions.

IN "HOW TO DEAL with the Union," which constituted excerpts Van de Water had given at a seminar, the Californian admitted that he had been personally involved in 130 employer campaigns to block organizing efforts, and boasted that unions lost the election in 125 of those.

In one of those cases, Van de Water described how he defeated an organizing campaign at Disneyland by calling the Teamsters and asking them to get on the ballot.

"They went in and had a fight trying to organize their people—who happened to be the office workers—and the office workers union that started the picketing was there," Van de Water said. "We got both of them involved in this particular campaign, had an election held, and the vote was only 17 percent of Disney employees for the two unions combined."

IN THE SAME article, Van de Water describes how he guided a division of General Dynamics to declare an impasse in bargaining, put in a wage increase unilaterally, bring the 4,500 workers together in groups of 35 for captive audience meetings and win a decertification vote in a relatively short time.

The key to the victory, Van de Water wrote, was the patriotic message of the captive audience meetings. "This union is building a class war with its attacks on management. We build Atlas missiles to protect our nation against the nations that represent the class war ideology abroad. And here we have class war fomented right here." With that completed, Van de Water reported, the workers voted 70 percent for decertification.

Donahue urged the committee to look into those cases to determine whether Van de Water was engaged in "persuader activities." Advising employers during a campaign would be a persuader activity, and would have to be reported under the Landrum-Griffin Act.

PATCO Aid Fund Passes Half-Million

The AFL-CIO fund to help striking members of the Professional Air Traffic Controllers Organization and their families meet severe financial problems pushed past the half-million-dollar mark as contributions from unions and individuals poured in from all over the country.

As of Oct. 6, the PATCO Family Fund had received $521,968, said Director Walter G. Davis of the AFL-CIO Dept. of Community Services, which oversees disbursement of the funds. Msgr. George G. Higgins of Catholic University is trustee of the fund, which was created in August following the mass firing of PATCO members by the Reagan Administration.

"WE HAVEN'T turned anybody down," Davis said. So far, more than 300 claims have been approved and checks totaling over $150,000 mailed out. Hundreds of other applications for aid are being handled by the department's staff.

Davis said requests for assistance of one kind or another have been averaging about 100 a day. Because of the heavy response, amounts of assistance have been limited to $450 per family.

In a letter to AFL-CIO unions and their members, PATCO President Robert E. Poli thanked all for their help, and said: "You have given us the added strength to withstand the oppressive actions and policies laid down by the Reagan Administration. We will never forget your support, and with your continued assistance we will win."

RECENT LARGE contributors to the fund include the Machinists, $28,000; New York Local 3 of the International Brotherhood of Electrical Workers, $25,000; Newspaper Guild, $25,000; Minnesota AFL-CIO, $14,000; Washington State AFL-CIO, $7,500; Farm Workers, $5,000, and the Railway Signalmen, $2,500.

Earlier, contributions of $100,000 each were made by the Steelworkers, Communications Workers, and the Auto Workers.

By and large, however, average donations have been smaller and, as Davis pointed out, none is too small. One check for $2 that came in last month was particularly poignant. "I'm an unemployed student," wrote Julie Cuellar of El Toro, Calif. "Sorry that all I can afford is $2. I'm with you all the way."

In determining eligibility for aid, consideration is given to the need for funds to avoid home foreclosure or eviction, and for medical emergencies, clothing, fuel and food.

Checks for the fund should be made payable to the PATCO Family Fund and mailed to AFL-CIO national headquarters, 815-16th St. NW, Washington, D.C. 20006.

Air Controllers Say Thanks For Moral, Financial Aid

The following letter is addressed to AFL-CIO unions and their members:

Dear Brothers and Sisters:

On behalf of the striking controllers in this country, I wish to extend our deepest gratitude for the support (both moral and financial) received from AFL-CIO unions and their members.

Every member of the Professional Air Traffic Controllers Organization has been touched in some way by the unity and generosity of the AFL-CIO—whether it be picketing, letters to the editors of major newspapers, newspaper adverisements educating the public as to what our goals are, or financial donations to assist our members and their families. Solidarity is the theme of the labor movement in this country, and you have proven that this is not just a mere word—it is a feeling of brotherhood that comes from the heart.

You have given us the added strength to withstand the oppressive actions and policies laid down by the Reagan Administration.

We will never forget your support, and with your continued assistance we will win.

Fraternally,
Robert E. Poli, President
Professional Air Traffic Controllers Organization

Social Security Floor Restored



BANNER OF SOLIDARITY, Poland's free trade-union federation, was brought back from Gdansk by Msgr. George G. Higgins as a gift to the federation. Higgins attended Solidarity's first national congress there last month. He gave a report of his trip to AFL-CIO President Lane Kirkland and Sec.-Treas. Thomas R. Donahue. The flag bears the signature of Solidarity leader Lech Walesa. The Polish government denied Kirkland a visa to attend the conference.

Senate Bill Trades Off Other Cuts

The Senate passed up a chance to approve full restoration of the minimum social security benefit and adopted instead its own plan for a partial restoration of the pension floor financed by benefit cutbacks in other areas.

Substituting a bill drawn up by its Finance Committee for the full restoration bill adopted overwhelmingly by the House, the Senate voted unanimously to revive the $122 minimum monthly retirement benefit for most present recipients—but not for workers living overseas or receiving more than $300 a month in a government pension.

THESE PLUS other cutbacks would mean that for the first time many currently retired persons would actually have their social security benefits reduced. And no future retirees would be eligible for the minimum benefit under the Senate plan.

The vote on the measure was 95 to 0.

Earlier the Senate had rejected, 65 to 30, a labor-supported amendment that would have cut $14.2 billion from tax breaks voted for the oil industry last summer, using the funds instead to strengthen the social security system. In urging support for the amendment, introduced by Sen. Thomas Eagleton (D-Mo.), AFL-CIO Legislative Director Ray Denison said the fund reserve would guarantee stability for the program "and peace of mind" for workers and retirees.

THE MINIMUM benefit is designed to give an income base to retired persons whose past earnings in covered employment were not enough to make them eligible for a benefit of more than $122 a month. It was a major target in the Reagan Administration's budget-balancing drive earlier this year and was eliminated in the budget reconciliation bill that swept through Congress.

Before the final action on the budget measure, however, the House had second thoughts and voted 404 to 20 for separate legislation to restore the minimum benefit.

In the face of a growing public uproar over the attack on the social security program by the Administration and its conservative Republican supporters in Congress, President Reagan later retreated from his stand favoring elimination of the benefit floor and enactment of sharp reductions in other promised benefits.

INSTEAD, the President announced he would go along with inter-fund borrowing to resolve short-term problems of the social security trust funds and proposed creation of a 15-member task force to come up with a permanent solution to the system's funding needs.

The Senate bill includes provisions for

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AFL-CIO News

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Renews Call for National Board

Kirkland Presses Plan To Revitalize Industry

The AFL-CIO called for a "new partnership" with business and government to revitalize the nation's economy through a program of reindustrialization of the country's ailing industries and decaying communities.

In remarks prepared for a conference on setting national priorities, Federation President Lane Kirkland renewed labor's proposal for creation of a tripartite National Reindustrialization Board that "would take into account more than just short-term profits for a corporation; rather it would be attuned to the long-term development and welfare of the nation."

KIRKLAND WARNED that "the obsession of business with short-term goals needs to be balanced by a longer term perspective of the needs and aspirations of the American people." President Reagan's economic policies are wrong, he declared, because they are steeped in 18th and 19th Century theoretical models that are inappropriate today.

"And we think America—both Wall Street and Main Street—is beginning to wake up to that fact," he said. Kirkland's remarks were read at the George Washington University-sponsored conference by Director Rudy A. Oswald of the Dept. of Economic Research. Kirkland was unable to attend because of a prior commitment.

Also participating in the conference from labor were Assistant Research Director Arnold Cantor, Sec.-Treas. Jacob Sheinkman of the Clothing & Textile Workers, and former Auto Workers general counsel Stephen Schlossberg.

AS WELL AS the resuscitation of sick industries and dying inner cities, the reindustrialization board proposed by Kirkland would seek to develop new industries with promise for the future.

The board would encourage economic growth, greater productivity, the spread of research and development findings and a balanced use of national resources, and would target industrial sectors and regions that need the most help. It would also direct the activities of a financing agency, similar to the Reconstruction Finance Corp. of the 1930s and 1940s, which would guarantee loans for approved reindustrialization projects.

"Instead of using industrial development bonds to support more McDonald's and K Marts—currently the biggest recipients of industrial development bonds financing—the RFC would be concerned with the industrial base of the country," Kirkland said. "That industrial base is threatened today by both domestic monetary policies as well as unfair foreign trade policies."

PRIVATE PENSION funds would be encouraged to underwrite the agency's financing arrangements as a way of supporting and expanding industrial employment in the United States, Kirkland said.

Denouncing Reaganomics as "a replica of the European disease called Thatcher-

(Continued on Page 6)

House Rejects Reagan Bid on AWACS Sale

The House overwhelmingly turned down President Reagan's proposed sale of sophisticated radar planes and other aircraft equipment to Saudi Arabia, setting the stage for a Senate showdown on the $8.5 billion arms package.

By a vote of 301 to 111, the Democratic-controlled House disapproved an Administration plan to sell the Saudis five Airborne Warning and Control System (AWACS) planes as well as equipment and missiles to enhance the performance of F-15 aircraft that the United States agreed to sell to Saudi Arabia three years ago.

THE DEFEAT was the biggest rebuff President Reagan has yet received from members of his own party. Despite Reagan's argument that the deal is crucial to the success of his Middle East policy, 108 Republicans voted for the disapproval resolution.

Meanwhile, members of the Senate Foreign Relations Committee voted 9 to 8 against the arms sale, reflecting the uncertainty over the proposal in the full Senate.

Strongly opposed to the AWACS sale, the AFL-CIO and other groups charged that it would be dangerous to sell such sophisticated radar planes to a potentially unstable regime. The aircraft could be used to coordinate F-15s in an attack against Israel, and might fall into the hands of U.S. enemies, they pointed out.

(Continued on Page 8)

Lifting of Homework Ban Assailed

The Reagan Administration's action lifting a 40-year ban on homework in the knitted outerwear industry "reopens the door to exploitation of wages, hours and working conditions," the AFL-CIO warned.

Labor Sec. Raymond J. Donovan ordered an end to the homework restriction in knitted outerwear, effective Nov. 9, despite strong opposition from unions, employers and trade associations encompassing seven industries that the Labor Dept. sought to exclude.

WHILE ACKNOWLEDGING that comments ran almost 4 to 1 against lifting homework restrictions from among the several thousand the Labor Dept. received, Donovan contended that few comments addressed the knitted outerwear industry.

He said the industrial homework restrictions will be retained in six other industries: women's apparel, jewelry, gloves and mittens, buttons and buckles, handkerchiefs and embroideries.

AFL-CIO Research Director Rudy Oswald said the federation remains opposed to lifting homework restrictions in any industry.

Donovan's order "renews the danger for the same child labor abuses which existed so extensively prior to the ban on homework imposed under the Fair Labor Standards Act," Oswald said.

He pointed out that lifting of the homework bans has been opposed by both management and labor and by five former secretaries of labor.

"Since these regulations on industrial homework have been given the force of law by congressional action, we question whether the Secretary of Labor even has the authority to make retrogressive changes," Oswald stressed.

President Sol C. Chaikin of the Ladies' Garment Workers expressed concern that the deregulation would deeply affect traditionally exploited workers.

"Donovan's action turns American industry's calendar back to the darkest days of industrial exploitation," Chaikin declared.

"BY TAKING advantage of the most deprived members of our society—undocumented aliens, the poor and the unprotected—unscrupulous employers will deprive thousands of American workers, both organized and unorganized, of decent jobs and decent conditions of employment," he warned, adding that "they will cheat the government out of millions of dollars in revenues."

Chaikin noted that past experience shows there is no way of policing indus-

(Continued on Page 7)

Labor Mobilizes Forces for ERA Ratification

The AFL-CIO and its state and local labor bodies are mobilized to press for final ratification of the Equal Rights Amendment, federation Sec.-Treas. Thomas R. Donahue told the National Organization for Women.

The federation will cooperate with NOW in testimony, lobbying and other action in support of ERA by the June 30, 1982 ratification deadline, Donahue pledged at NOW's annual issues conference in Washington.

HE POINTED OUT that throughout history the trade union movement has been a means for women workers to improve their working conditions and to "redirect the course of society."

ERA is "in harmony" with the principles of individual human dignity on which the labor movement is founded, and it "demands action," Donhaue stressed.

Thrity-five states, representing about 72 percent of the population, have ratified the amendment since it passed Congress in 1972. Three more state legislatures must vote in favor of the amendment before the deadline for it to become part of the U.S. Constitution.

The first duty of the trade union movement has been to represent the interests of its members throughout collective bargaining, Donahue told the delegates, pointing out that "the pragmatic process of barganiing and representation" is founded on high ideals of human dignity and justice.

"We believe that as the trade union movement has fought to improve the wages, working conditions and indeed the standard of living of our members, every American has benefitted," he said.

All of society, Donahue asserted, has gained as all those concerned with the human rights movement "have worked to bring this country closer in reality to the rich dreams on which it was founded."

SOLIDARITY DAY helped to dispel the idea that Americans want to reverse that progress, Donahue said. The Solidarity Day demonstrators "came straight out of the shops, the offices, the factories and backyards of America," he pointed out, adding: "They were the average mainstream working people the Reagan Administration has been boasting made up its 'mandate' for dismantling 50 years of social progress."

On Sept. 19, Donahue declared, "the mandate paid a call on Washington, but they were not marching to the Administration's drummer. They were calling out 'ERA, Yes'; 'Social Security, Yes'; 'Affirmative Action, Yes'; and they were saying 'no' to budget cuts that will stop progress in its tracks."

The demonstration provided "a lift of the spirits and sense of community" to the labor movement, the women's movement and their allies, Donahue said, and it strengthened the "long-standing and time-tested" human rights coalition.

DIFFERENCES of opinion and interest within that coalition, he said, are "healthy and normal because we are so secure in our beliefs, so bound by our common goals" and "linked by an overriding belief in equality and justice."

Donahue emphasized the labor movement's long history of concern for women workers, pointing out that within a year of its founding the organization which became the American Federation of Labor had acted to guarantee the equal status of women trade unionists and by 1883 had called for equal pay for equal work by men and women workers.

The interests of women workers have been important to the trade union movement, Donhaue said, "first of all because they are the concerns of workers, but also because women have been singled out for special exploitation."

HE CHARGED that the same "noisy minority" that opposes ratification of ERA "also applauds the Reagan Administration's program of dismantling safety and health programs for workers, of choking off funding for training and employment programs, stripping wage and hour protections, and squeezing the social security systems which ought to be adjusted instead in the direction of increasing its protections and removing its inadequacies and inequities, particularly as they affect women."

The Administration's promise to "unburden" employers from the "paperwork" of affirmative action is "clearly a signal to employers that they need not worry about affirmative action." Management will find it more "cost-effective," Donhaue predicted, to use the excuse that no qualified women are available for jobs rather than spend the time and money to train women or place them in jobs that lead to promotion.



ADMIRAL OF THE OCEAN SEA award, presented posthumously to Seafarers President Paul Hall, is accepted by his widow, Rose, and his successor as president of the union, Frank Drozak, at a New York dinner. AFL-CIO Sec.-Treas. Thomas R. Donahue, who spoke at the dinner, praised Hall for his lifetime work in organizing maritime labor. The award, given annually by the United Seamen's Service, honors individuals in the maritime industry or government for contributions to the American merchant marine.

Donahue Affirms Labor Stand For Strong Merchant Marine

New York—The AFL-CIO will lend its full support to the fight to give the nation a strong merchant marine, "and we are going to throw heart, mind, and hand into the fight in the spirit of Paul Hall." Federation Sec.-Treas. Thomas R. Donahue pledged at an award ceremony honoring the late Seafarers president.

Hall gave a large share of his life to saving and restoring the merchant marine, "which he knew to be absolutely essential to the health and safety of the nation," Donahue said. Now, the American labor movement must do its best to prevent further deterioration of the industry, he declared.

"FOR TOO MANY years, we have watched that industry falling to pieces. We have seen too many American shippers and shipowners turning their backs on America, building ships in foreign yards, manning them with foreign crews, running up foreign flags in order to escape American wages, prices, and taxes and American working conditions, safety regulations, and training standards," Donahue said.

"We find ourselves in a dangerous state of almost total dependence on the resources of other countries because of a total lack of a positive, unified national maritime policy," he added. "No other major trading nation has been so foolish.

"Other countries make no apology for defending their industries and their economies from assault and destruction from economic piracy. Ours provides no such defense."

DONAHUE SPOKE at a dinner at which Hall was given the first posthumous Admiral of the Ocean Sea Award by the United Seamen's Service in recognition of his contributions to the maritime industry. Hall, an AFL-CIO vice president and president of the Maritime Trades Dept., died last year.

In his address, Donahue observed that the booming market for American coal that has been developing since the Organization of Petroleum Exporting Countries began inflating oil prices has given the United States "a golden opportunity to begin a little remedial action" toward revializing the U.S. merchant marine.

The various port development programs that are finally getting started should include guarantees that U.S.-flag ships will handle "a decent percentage" of the new business that is generated, he said, and the labor movement is pressing hard toward that end. At the same time, organized labor will fight to prevent a sellout of Alaskan oil and the jobs that depend on it, Donahue declared.

Car Dealer Rebates Slow Rise In Prices at Wholesale Level

Inflation at the wholesale level slowed in September as producer prices for finished goods rose only two-tenths of 1 percent, the smallest monthly increase in more than three years.

The Bureau of Labor Statistics attributed the slowdown largely to stable food prices, moderate increases in energy prices, and a once-a-year dealer discount for new cars.

THE DISCOUNT, or "liquidation allowance," that domestic automakers gave their dealers to close out the 1981 model year had the heaviest influence on the September price figure. Without the rebates, the government's producer price index for finished goods would have risen seven-tenths of 1 percent, BLS said.

Last month's increase was the smallest rise since August 1978, when wholesale prices edged up just one-tenth of 1 percent. The September increase followed rises of three-tenths of 1 prcent in August and four-tenths of 1 percent in July.

The September index was 7.8 percent higher than the year-earlier level, which itself was 13.1 percent above the level 12 months earlier.

Many economists believe that October producer prices will climb higher than in September. Agriculture Dept. experts predict substantial price increases for food the rest of the year, especially for meat, and automakers will be introducing higher-priced 1982 models over the month.

Among finished goods, consumer food prices at the wholesale level were unchanged in September, following a two-tenths of 1 percent increase in August. Finished consumer foods include unprocessed foods such as eggs and fresh vegetables, as well as processed foods such as bakery products and meats.

PRICES FOR processed poultry fell 8.2 percent last month following a sharp August increase, and pork prices turned down after no change the month before. On the other hand, prices for beef and veal increased 3.3 percent following a decrease in August.

BLS said natural gas prices rose considerably more last month than in August and gasoline prices continued to fall, but at a smaller rate than in the previous four months.

Heating oil prices edged down one-tenth of 1 percent.

Stamp Club Offers Solidarity Day Cachet

To commemorate Solidarity Day, the Samuel Gompers Stamp Club issued a special cachet, or souvenir envelope, on Sept. 19. The cover honors the 400,000 Americans from all walks of life who gathered on the National Mall to protest the Reagan Administration cuts in social programs.

A limited number of covers may still be obtained by writing the Samuel Gompers Stamp Club, P.O. Box 1233, Springfield, Va. 22151, and enclosing 50 cents for each or $1.25 for three. A self-addressed envelope should accompany each order.

Dock Union Wins Cargo Container Ruling at 3 Ports

The Longshoremen won a limited victory in their legal fight to implement rules giving the union job protection rights in the handling of van-sized containers.

Administrative Law Judge Joel Harmatz of the National Labor Relations Board found that the rules, which were negotiated in 1973 with maritime employers, were a lawful response to "reduced job opportunities" brought on by containerization.

The rules apply to ports from Maine to Texas and require that much of the handling of cargo containers must be done by ILA members, including their packing and unpacking. The rules apply to 50-mile zones around the ports.

The rules have been contested over the years by shippers and truckers and, except for a six-week period earlier this year, they have never been put into effect.

The rules currently are enjoined by a federal appeals court in Philadelphia. The Supreme Court, on an appeal of the injunction by the union, refused to review the federal court order. The injunction is likely to remain in effect until the NLRB issues a final decision on whether the rules are legal.

In his finding, Harmatz recommended dismissal of charges that the rules had been illegally applied in ports in New York, Philadelphia, and Jacksonville, Fla., but said that the ILA had unfairly sought to apply them in Baltimore, Hampton Roads, Va., and Miami.

Full Slate Chosen

URW Elects Milan Stone To Succeed Bommarito

Bal Harbour, Fla.—Milan Stone, who has held the second-ranking office with the Rubber Workers since 1977, was decisively elected president of the URW to succeed Peter Bommarito at the union's 31st convention.

Bommarito, an AFL-CIO vice president, declined to run for a new three-year term. He has headed the 150,000-member URW for the past 15 years.

THE 850 CONVENTION delegates also unanimously elected URW District 2 Director Joseph H. Johnston to the vice presidency vacated by Stone, re-elected Sec.-Treas. Donald C. Tucker by acclamation and elected 15 executive board members—all on Stone's slate. Stone defeated Glenn Ellison, a URW district director, by a vote of 1,058 to 287.

The convention approved a constitutional amendment authorizing the call for a special merger convention upon a two-thirds vote of the executive board.

The URW has been exploring a merger proposal with the Auto Workers, and Stone, head of the Merger Committee, had described the discussions as "friendly and fruitful." But he ruled out the possibility of the two unions reaching a merger agreement before URW contracts with major U.S. rubber firms expire next Apr. 20.

In his keynote address, Bommarito called on the union's negotiating committee to put a high priority on job security in the 1982 contract talks.

THE TIME has come "to move toward the concept of a guaranteed workweek . . . to insure true job security for our members," Bommarito declared.

Delegates overwhelmingly aproved a resolution commending Bommarito for his leadership and conferred on him the title of president emeritus.

AFL-CIO President Lane Kirkland also praised the retiring URW president for his contributions to the federation's Executive Council and as chairman of the AFL-CIO Community Services Committee.

Kirkland said the demand for services of the nationwide network of union volunteers has never been greater because of the Reagan Administration's dismantling of essential jobs and social programs.

"EVERY CITIZEN will pay a heavy price for the social blindness and indifference of those now in power in Washington," Kirkland warned.

"All of this—along with cutbacks in social security and unemployment benefits and the wholesale abandonment of government regulations that protect the health and pocketbooks of workers and consumers—is undertaken, so we are told, to get government off our backs," he observed.

"The President claims that his program of stuffing the rich and starving the poor has a mandate from the people, won in his campaign," Kirkland said.

"BUT MR. REAGAN did not campaign among senior citizens for cutting social security, among parents for poorer schools, among workers for fewer jobs and less concern for occupational health and safety. He did not campaign among consumers or small businesses for higher and higher interest rates and more and more bankruptcies."

Those were the very issues that brought the massive turnout of Solidarity Day protesters to Washington, Kirkland noted.

In convention action, delegates voted to:

- Retain the union dues structure linking increases to hourly wage boosts.
- Direct all local unions to establish organizing committees.
- Press for the restoration of full trade adjustment benefits to workers laid off by import competition.
- Reinforce the URW's boycott of Michelin tires and intensify organizing efforts at Michelin plants in the United States and Canada.
- Resist Administration attempts to destroy OSHA protections.
- Work for efforts to combat plant shutdowns and to ease the economic impact on affected workers and communities.
- Call on URW locals to support and participate in AFL-CIO Industrial Union Dept. coordinated bargaining efforts.

STONE, 54, has been a member of the Rubber Workers since 1946 when he joined URW Local 19 in Eau Claire, Wis. He served as vice president of the local and president of the Eau Claire AFL-CIO in the early 1960s. He joined the URW staff as a field representative in 1963 and the following year became the union's time-study engineer.

In 1972, Stone was appointed a special representative of the URW's pension and insurance department and in 1974 became director of URW District 4 based in Rock Island, Ill. He was appointed the union's vice president in 1977 and was elected to a full three-year term the following year.

Convention speakers in addition to Kirkland included Sen. John Glenn (D-Ohio), Sec.-Gen. Charles Levenson of the International Federation of Chemical, Energy & General Workers, President Jacob Clayman of the National Council of Senior Citizens and President Noriyoshi Matsumoto of the Japanese Rubber Workers.



TOP OFFICERS of the Transport Workers welcome California AFL-CIO Executive Sec.-Treas. John Henning to the union's convention in San Francisco. From left are TWU President William G. Lindner, President Emeritus Matthew Guinan and Sec.-Treas. Roosevelt Watts.

TWU Convention Launches New Mass Transit Division

San Francisco—The Transport Workers' 16th Convention launched a new Mass Transit Division paralleling the union's existing Railroad and Air Transport Divisions.

With most of TWU's 130,000 members involved in mass transit, the 400 delegates resolved that the new division "would help focus more sharply on the particular problems of the workers in our transit locals and permit quicker and stronger actions to seek solutions."

THE NEW DIVISION will follow the same organizational structure and have the same functions as the air transport and railroad arms, addressing itself "to the formulation and coordination of efforts to meet the needs of our mass transit members on pay, hours, benefits and working conditions."

In other business, TWU President William G. Lindner was re-elected along with Sec.-Treas. Roosevelt Watts and Executive Vice President John E. Lawe, who also serves as president of the union's largest local, Local 100 in New York.

Among the more than 50 resolutions adopted by the convention was an expression of firm support for the Air Traffic Controllers' strike. The union urged its locals to contribute to the special fund to aid the PATCO strikers and their families.

ANOTHER RESOLUTION called for further study by the union's executive council and board of a possible merger with the Amalgamated Transit Union, a concept which both unions had eyed over the last few years.

In viewing the possible merger, TWU pointed out that "consolidations and governmental authority takeovers of present transit systems are threatening the pay rates, benefits and working conditions of our members." It said "the Amalgamated Transit Union has proposed a merger with TWU as the best way to counter the growing threat from an unfriendly national administration and increasing attacks on our wages, benefits and working conditions by managements and their co-conspirators in the media and local governments."

The council merger committee was instructed to report back to the full council within a year.

IN OTHER business, the convention called for reform of New York State's Taylor Law, which mandates heavy union and individual fines for striking public employees.

As a result of Local 100's 11-day New York City transit strike of April 1980, the union has already been hit with $1,250,000 in fines. Individual members who took part in the strike were fined $18 million, and the local learned just this month of an impending 18-month suspension of its dues check-off, a penalty certain to be appealed. In each case the penalties were mandated by the Taylor Law.

In his keynote address, Lindner called for a stepped-up COPE campaign to counter reactionary groups and politicians.

HE PRAISED a new spirit of awakening in labor, telling the delegates:

"Those of you who were down in Washington for Solidarity Day probably got the same feeling that I did. When you looked around and saw the variety of people from all parts of the country, from all economic levels, from all types of unions and many other organizations, there was a grass-roots feeling of comradeship, of unity of purpose and of oneness that tells me that this thing is going to turn around."

Major addresses to the delegates also were given by California Gov. Edmund G. Brown, Jr.; State AFL-CIO Executive Sec.-Treas. John F. Henning, and Rep. Norman Mineta (D-Calif.).

Construction Jobs Victims of Tight Money

High interest rates spurred by federal "tight money" policies threaten to destroy the construction industry, the AFL-CIO Building & Construction Trades Dept. told Congress.

In testimony before the Senate Small Business Committee, Department President Robert Georgine pointed to the steep reductions in residential, industrial and commercial construction and the 16.7-percent rate of unemployment in the industry. Construction workers are "cannon fodder" in the "misguided campaign" to reduce inflation by tightening the supply of money and availability of credit, Georgine said.

THE ECONOMIC effects of the Federal Reserve Board's Administration-supported monetary policies are "socially unacceptable and economically inefficient," he stressed.

Selective credit controls that direct credit to productive purposes are a better solution, Georgine told the committee.

High interest rates themselves fuel inflation, Georgine charged, since they drive up the cost of goods and services.

The high cost of money has choked off housing starts, frozen most buyers out of the housing market, and "devastated" the traditional mortgage lenders, savings and loan associations, Georgine told the committee.

Combined effects of high interest rates and the Reagan Administration's income tax cuts that favor the wealthy have "destroyed the market for state and local bonds," which finance public construction, Georgine said. He pointed out that this squeeze on municipal bond markets comes at a time when the Administration's budget and tax cuts are causing state and local revenues to decline and their borrowing needs to increase.

IN THE SECOND quarter of 1981, the seasonally adjusted volume of new public construction was 15½ percent below its level in 1978, Georgine pointed out.

Interest on the federal debt, which Georgine called the fastest rising segment of the federal budget, is also linked to high rates, he stressed. During the year ending in June 1981, he said, this figure increased by an estimated 32 percent, requiring more federal borrowing "that raises interest rates even higher."

A better solution to inflation, Georgine suggested, would be selective credit controls of the type advocated by the AFL-CIO.

The joint Reagan Administration/Federal Reserve policy of slowing down the money supply must be abandoned, he stressed.

"WE SHOULD turn away from the disastrous reliance on tight money to fight inflation," he said, "because tight money results in rationing credit through high interest rates, thereby often favoring nonproductive uses of credit."

Instead, Georgine said, selective credit controls should be used to channel credit to productive purposes such as home mortgages, new residential, industrial, state and local bonds.

EXPERIENCE with credit controls in the United States and abroad have shown them to be a "viable alternative" for slowing down the money supply, Georgine said.

Authority for flexible controls is provided under the Credit Control Act of 1969, Georgine pointed out. He urged that these measures be used now to bring down interest rates and made permanent before they expire in June 1982.

P. J. Ciampa Dies at 61, AFSCME Area Official

Baltimore—Panfilo J. Ciampa, area director of the State, County & Municipal Employees and a former official of the Auto Workers, died of cancer at Franklin Square Hospital here Sept. 21. He was 61.

Ciampa had been a UAW regional director for the southeastern states and served on the union's executive board from 1953 to 1955 before he joined AFSCME in 1964. He also served as director of field services and took part in the 1968 sanitation workers strike in Memphis, during which Martin Luther King, Jr., was assassinated.

Speak Out for the ERA

ECONOMIC JUSTICE, pure and simple, is the real issue in the debate over the ratification of the Equal Rights Amendment.

This constitutional guarantee is needed to establish once and for all—without danger of repeal—a national policy that will lead to an end to discrimination because of sex.

Its passage would be the best assurance that all citizens, men and women alike, will have fair, equal and reasonable opportunities in employment, education, benefits and retirement plans, insurance, credit, and financial matters in marriage and divorce.

OPPONENTS OF the Equal Rights Amendment have mastered the old divide-and-conquer strategy. They seek to distract attention from the real purpose of ERA by manufacturing a set of ludicrous, emotional issues which in most cases have nothing at all to do with equal rights or the ERA.

The fact is, women are America's cheap labor pool, and the opponents of ERA want to make sure things stay that way.

Women today, even in professions, are paid about half of what man are paid in similar jobs. Most women workers are stuck in the lowest paying, least promotable jobs.

It is no accident that the same people who oppose the Equal Rights Amendment favor of the dismantling of OSHA protections. They favor a youth subminimum wage and the gutting of most other fair labor standards that govern decent wages and conditions. They want to see the Davis-Bacon Act and the Service Contract Act weakened or repealed. They support any measure to lower wages, or keep them low.

ERA will help change that for women. And that is what the opposition to ERA fears most.

IT IS NO accident, either that nearly all the states that have not ratified the Equal Rights Amendment are also "right-to-work" states that outlaw union shop agreements. That alone should be a clue to the real motives of ERA's opponents.

The argument that state or federal laws are good enough to "protect" women ignores reality. All such laws can be repealed or thwarted by administrative action. In the past, many such laws have been thin disguises for actually excluding women and minorities from jobs rather than "protecting" them.

In the past twenty years, the number of working women, has risen to the point that more than half of all women now work outside the home, and they make up almost half the U.S. workforce.

They work for one simple reason: they need the money to provide a decent life for their families.

More and more women are joining unions because they realize that the union contract is a vital tool for achieving equality through improved wages, better jobs, equal benefits and the almost priceless guarantee of a fair grievance procedure on the job.

The union contract should be backed up by the strength of the Equal Rights Amendment as the law of the land.

THIRTY-FIVE states have ratified the amendment, and by June 30, 1982, three more states must pass it for the ERA to become part of the Constitution.

The labor movement and its Coalition of Labor Union Women have joined the National Organization for Women and other allies in this all-out campaign for ratification. We will speak out for the Equal Rights Amendment, and more, we will fight for it.

AFL-CIO News

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THOMAS R. DONAHUE, *Secretary-Treasurer*
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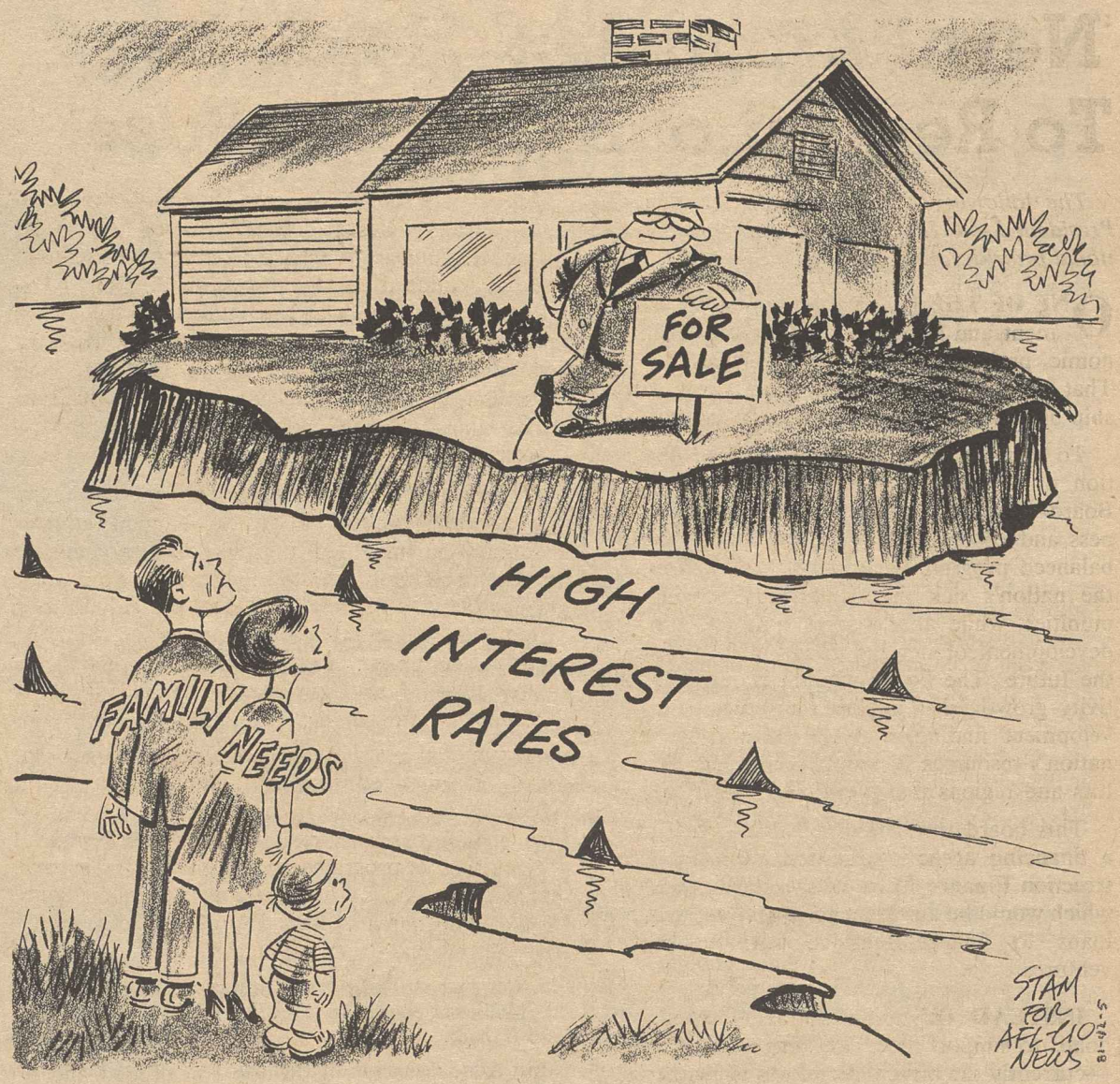
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The Moat



Simplistic Notion

U.S. Economic History Refutes Arguments for Gold Standard

By Gus Tyler

A RETURN TO THE gold standard is the latest conversation piece in Washington. They're talking about stabilizing prices. Putting an end to inflation—once and for all. If a dollar is redeemable for such and such an amount of gold, we know what the true worth of the buck is, and that will stop depreciation of our money.

The notion is so simple that it is almost irresistible — as it will be to simpletons who know nothing about the century we spent living with the gold standard. During those years, prices rose and prices fell repeatedly. The rises were staggering and the drops were murderous. But, good or bad, the cost of living shot up and down, despite the gold standard.

1815 IS A GOOD date to start tracing the fluctuation of prices in the United States, since it was a time of peak inflation, brought on partly by our own War of 1812 and by the Napoleonic wars in Europe. From 1815 to 1843, wholesale prices dropped by almost 60 percent. But that "deflation" did not last too long.

Between 1843 and 1864 (end of Civil War) prices leaped upward by 157 percent—in spite of the gold standard. The war itself was the biggest reason for the jump.

In the next ten years prices fell again in the United States. But in Europe, which was on a metallic standard of gold and silver, prices continued to rise by 60 percent between 1843 and 1873.

AFTER THAT TIME, as the western world moved away from silver exclusively into gold, prices began to fall again up to 1896. But then the price level rose by 233 percent from 1896 to 1920 —again getting its chief impetus from the First World War.

What is evident from these few facts is that gold standards are no guarantee against inflation or deflation. Your dollar may be as good as gold, but the goodness of gold varies from time to time.

What is also clear is that the price rises are most startling in wartime because of the great drain on resources that do not go to fill consumer needs. What holds for war times is equally valid obviously for periods of heavy armament—and for the same reason: use of resources that do not go to meet consumer needs.

These morsels of monetary history are but a few of the facts that are contained in an illuminating article by Edward M. Bernstein, a monetary expert of international renown, who is currently a guest scholar at the Brookings Institution. In his piece, appearing in the Brookings Bulletin, he notes that in the 100 years from 1815 to 1914 there were 12 crises and panics in the United States and seven in England.

"THE PANICS were extreme crises, usually accompanied by numerous bankruptcies," Bernstein says. "In England, the crises were due to the rigidity of the Bank Charter Act of 1844. . . . In the United States the national banking system provided no flexibility at all in the issue of currency, and that was the cause of the recurrent crises."

In the table listing the exact dates of each of these crisis or panics between 1815 and 1914, Bernstein attaches a small footnote: "Does not include fourteen recessions in the United States and nine in the United Kingdom that are not classified as crises or panics."

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Opening the Lid For Exploitation

Mr. Donovan's action (lifting the ban on industrial homework on knitted outerwear) turns American industry's calendar back to the darkest days of industrial exploitation.

By taking advantage of the most deprived members of our society—undocumented aliens, the poor and the unprotected—unscrupulous employers will deprive thousands of American workers, both organized and unorganized, of decent jobs and decent conditions of employment, and they will cheat government out of millions of dollars in revenues.

With one rash stroke, the Labor Dept. has removed one of the major areas of protection that took American workers and employers more than 100 years to build.

The Labor Dept. simply does not have the right to remove restrictions that were imposed by an act of Congress.

—President Sol Chaikin of the Ladies' Garment Workers.

Tripartite Role

'New Partnership' Holds Key To Revival of Industrial Base

The following is from remarks by AFL-CIO President Lane Kirkland to a conference on national priorities, Oct. 13, 1981.

ONE OF THE KEYS to attaining full employment and solving some of the nation's economic problems is to reindustrialize America. That can best be achieved through a new partnership between government, management and labor.

To that end, the AFL-CIO proposes the creation of a tripartite National Reindustrialization Board—including representatives of labor, business and government — which would develop a balanced program to insure the revitalization of the nation's sick industries and decaying communities, while at the same time encourage the development of new industries with promise for the future. The board would encourage productivity growth, dissemination of research and development finding, and a balanced use of the nation's resources. It would target industrial sectors and regions that particularly need help.

This board would also direct the activities of a financing agency, patterned after the Reconstruction Finance Corp. of the 1930s and 1940s, which would be authorized to make and guarantee loans to finance approved reindustrialization ventures.

INSTEAD OF using industrial development bonds to support more McDonald's and K Marts —currently the biggest recipients of industrial development bonds financing—the RFC would be concerned with the industrial base of the country. That industrial base is threatened today by both domestic monetary policies as well as unfair foreign trade policies.

Private pension funds could be encouraged to make investments in such financing arrangements to support and expand industrial employment in the United States. National policies that encourage investment abroad rather than in the United States undermine domestic employment opportunities.

A common thread that runs through the economics of countries that have grown faster than ours is their adoption of a coordinated industrial policy that systematically includes the views of labor, industry and the public.

The Reindustrialization Board would take into account more than just short-term profits for a corporation—but rather would be attuned to the long-term development and welfare of the nation.

THE BOARD would bring together all of the elements in economic society. It would insure that the interests of capital, of labor, and of the people are all made an integral part of the economic decision-making process.

We believe that credit allocation is preferable to destroying the housing industry, while funds are siphoned off for corporate merger activities and speculative investments, and margin purchases. We believe that the Administration and the Federal Reserve Board should use their authority under the Credit Control Act to direct the allocation of credit. Instead of finding $7 billion of funds overnight to underwrite a Conoco oil merger, the credit sources should be targeted to developing new productive facilities, and rescuing the crippled housing and auto industries. The United States should learn from foreign experience with credit allocations.

IT IS TIME for the United States to formulate a national industrial policy and abandon the irrational attachment to policies that threaten to bring about the wholesale condemnation of entire industries and regions. We reject the Administration's attempt to cast government as the whipping boy—government spending, government deficits, government taxes, government borrowing, government employees, etc.

They are not the cause of every problem that can be identified as the Administration would have us believe. The solution to America's problems is not to hamstring the federal government by cutting its programs and its sources of income and weakening or undermining its laws, regulations, and standards used to protect health, safety, civil rights and the environment.

We are unwilling to accept a return to the burned-out America of the 1930s, when the willy-nilly movement of investment capital left the farm mortgage foreclosed, the top soil eroded and no hope of revival because no one had the purchasing power to lift an economy or reopen a bank. We believe that government must enter into a new partnership with business and labor to revitalize the nation's economy.

We insist that, to succeed, any plan for economic recovery must be fair and equitable. But the Administration's cuts in social programs will have a disproportionately large and negative impact on unemployed workers, on the poor, on the needy, at the very time that its tax cuts will have a large and beneficial effect on the rich, the affluent, and highly profitable businesses.

ADD TO THIS a deregulation policy that weakens the impact of laws protecting the consumer, the environment, and the health and safety of workers—and it is clear that the Administration's proposals do not meet the test of equity.

We in the AFL-CIO have studied carefully all that has been unveiled since Inauguration Day 1981, and have found Reaganomics lacking in comparison to our national economic, social and international goals. We reject the idea that there is anything resembling a "new beginning" in the revival of the hoary old trickle-down economics in the guise of "supply-side."

But more important, we reject the policies themselves, simply because they will not work. And we think America—both Wall Street and Main Street—is beginning to wake up to that fact.

Away from Public Eye

Rule Changes Skirt Congress, Undermine Worker Protections

THE REAGAN ADMINISTRATION'S attack on worker protections shaped by Congress has grown to alarming proportions through regulation changes that draw less public attention than direct legislative proposals, Machinists Legislative Rep. Dorothy Ellsworth charged in a network radio interview.

Ellsworth cited quiet moves in the Labor Dept. that skirts the intent of the Service Contract Act without giving Congress a chance to assess changes that will adversely affect tens of thousands of workers. She said such administrative steps are "undermining and weakening the collective bargaining" that Congress clearly intended to safeguard when it approved the act 15 years ago. The act establishes standards for prevailing wages and working conditions of workers employed by firms holding service contracts with the government.

Questioned by reporters on Labor News Conference, Ellsworth predicted that House hearings on the Service Contract Act later this month will show a pattern of regulation changes that have had "tragic effects on both union and non-union workers."

She said the impact of the Sept. 19 Solidarity Day protest against the Administration's budget and tax policies is already beginning to show up on Capitol Hill. Members of Congress who earlier in the year questioned rank-and-file opposition to Reaganomics "now know that union members are aware, that they are concerned and that they are going to fight," she said.

THE MOMENTUM of Solidarity Day, Ellsworth said, is also seen at the local grass-roots level, and this is bound to increase as the harsh effects of the new budget, which took effect Oct. 1, "filter down to the state and local levels" and make it increasingly clear that the Administration is "cutting very close to the bone."



By Press Associates, Inc.

THE REAGAN ADMINISTRATION has put the low-income and poor families of America on a very strict diet.

Beginning in October, nearly one million people will be dropped from the food stamp rolls, as ordered in the omnibus budget reconciliation bill passed by Congress in July. These people lost their benefits because the legislation raised the income eligibility limit for the program.

Persons with income over 130 percent of the poverty level are no longer eligible for food stamp benefits. The only exceptions made or special circumstances recognized were for elderly and disabled people living on social security or Supplemental Security Income (SSI).

The cut-off for a typical family of four is now $916 a month or less in earned income to be eligible for stamps. The previous cutoff was $705 per month.

MANY OF THE more than 21 million still getting benefits will see them reduced. Families with earned income will lose 2 percent in deductions allowable in calculating benefits.

Also, despite rising food costs, the new food stamp law will not increase benefits as often to keep pace with inflation, so food stamp dollars will buy less food in the years ahead. According to estimates, benefits will lag two years behind actual grocery store prices.

The Food Research & Action Center, a public interest group, developed some hypothetical examples to show how the food stamp changes might affect individuals. FRAC used data gathered from federal agencies, such as the Social Security Administration and Agriculture Dept., and detailed analyses of the food stamp law changes to develop the profiles.

Here is what some of them show:

- The Smiths are an elderly couple whose only source of income is $397 a month in SSI benefits. Before the law change, they would have been eligible for $84 in food stamps every month. Now they will receive $70 per month.

- Frank earns the minimum wage of $3.35 an hour and supports three dependents. His housing costs are about $150 per month, with other expenses average. Frank now will be eligible for only $151 in food stamps each month, instead of the $201 allowed under the previous law.

- George earns $5.25 an hour and has three dependents. His wife needed surgery and developed a handicap that requires special care and adds extra expenses. Because of the law change, George's special circumstances no longer will be recognized. He will be eligible for only $64 per month in food stamps, instead of $104 per month under previous law.

ANOTHER GROUP that will feel the pinch of the new rules is strikers and their families. They are now ineligible.

Previously, if a striker met all the program's eligibility rules, that is, had little or no supplemental income and few assets, he could receive food stamps on the basis of need. Strikers accounted for only some 28,000 households out of eight million receiving food stamp benefits in 1980.

The aim of cutting the food stamp program, as in other budget cuts, was to reduce overall federal spending—part of Reagan's "economic recovery program."

But, despite tightening of the food stamp program, it is still expected to cost more than the Administration anticipated because unemployment is rising and more people will become eligible for benefits.

Also, since the law changes primarily hurt the working poor, there may be some incentive for those earning a marginal living to quit work, go on welfare and collect full food stamp benefits.



WORKER PROTECTIONS are being undercut by Labor Dept. regulation changes that disregard congressional intent of the Service Contract Act, Machinists Legislative Rep. Dorothy Ellsworth charged on Labor News Conference. She was questioned by Calvin Zon, left, of Press Associates, Inc., and Frank Swoboda of the Washington Post. The AFL-CIO produced public affairs program is aired weekly on Mutual radio.

House Group Calls for New PATCO Talks

Thirty-seven House Democrats urged the Reagan Administration to reopen contract talks with the striking Air Traffic Controllers, saying that a negotiated settlement "offers the most promising and responsible course for resolving" the 11-week dispute.

An agreement between the Federal Aviation Administration and PATCO "would be in the national interest, and would reflect great credit upon all parties," the congressmen said in a letter to President Reagan initiated by Rep. James Oberstar (D-Minn.).

MEANWHILE, flight delays at major airports mounted and a House staff analysis warned that the nation's air traffic control system could be in "serious trouble" by the winter of 1983 because of overly optimistic projections on replacing the 11,000 controllers fired by President Reagan after they went on strike Aug. 3.

Administration officials have insisted that they do not intend to rehire the controllers, and have begun training new controllers to replace those who were fired. At the same time, flight schedules throughout the country have been scaled down as a safety measure. As a result, delays at major airports the last two weeks in September doubled from the same period last year, the FAA reported.

In an analysis of the FAA's plans to replace the striking controllers, the House Post Office & Civil Service Committee said "the only way to lessen the strain on the system is to rehire a substantial number of the striking controllers." The committee's staff said FAA Administrator Lynn Helm's position that strikers are forever barred from federal employment "is legally untenable."

REP. WILLIAM D. FORD (D-Mich.), who heads the committee, said in an Associated Press interview that the airline industry is suffering undue hardships and that the Administration must consider rehiring experienced controllers.

"The real world is that the people in labor and management relations resolve their differences without it turning into a permanent problem, and that's what we have now," Ford said.

Florida Delegates Back Expanded Public Services

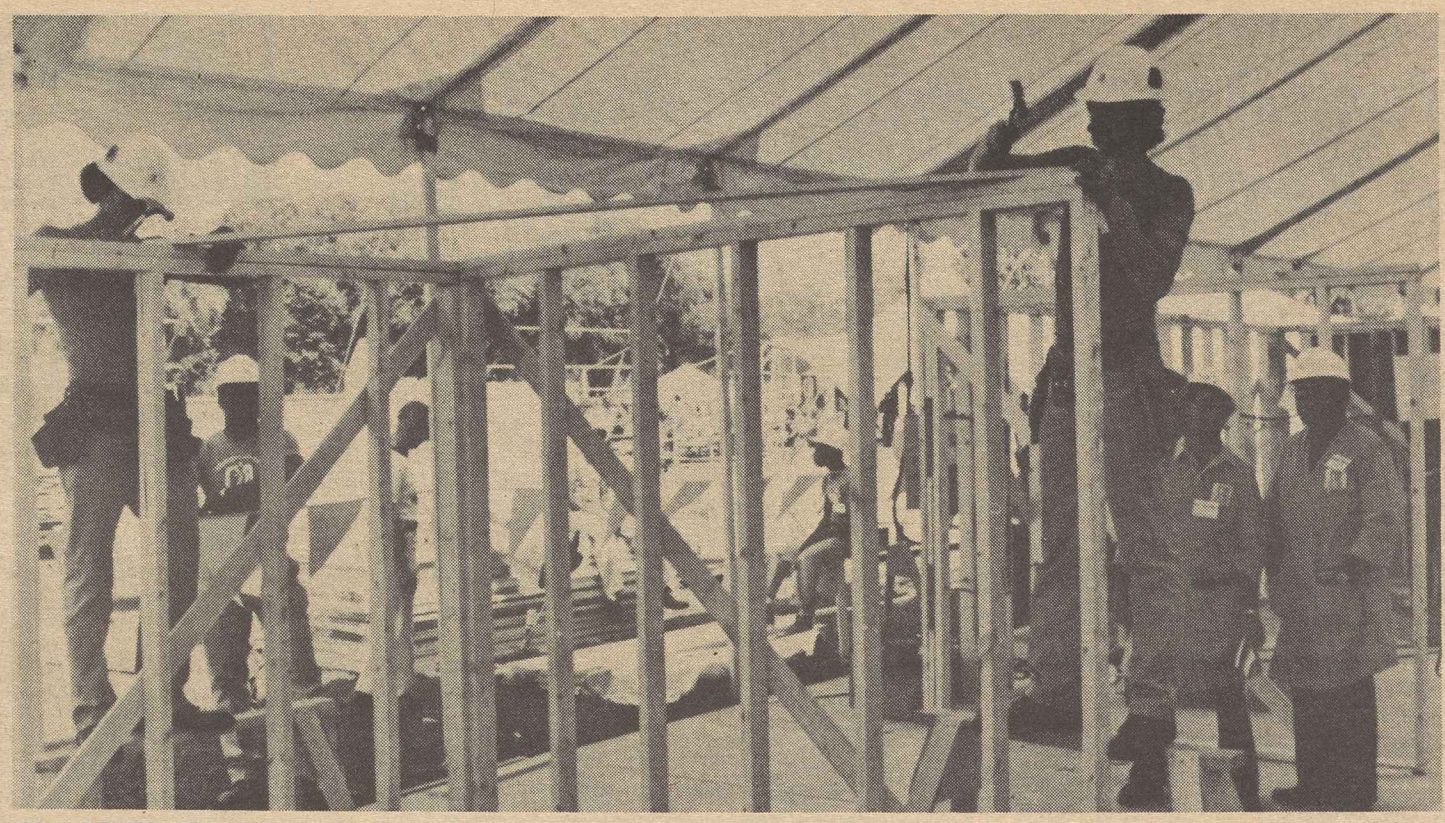
Miami Beach—Delegates to the Florida AFL-CIO convention endorsed a proposal to expand police and fire protection and needed improvements in education and mass transportation that would be financed through a 1-cent increase in the state sales tax.

The 360 delegates also called for reinstatement of Florida's "little Davis-Bacon Act" to assure payment of prevailing wages on state funded construction and urged Congress to reject attempts to repeal the federal Davis-Bacon law.

OTHER KEY resolutions adopted at the three-day convention expressed strong opposition to the Reagan Administration's efforts to dismantle the Occupational Safety & Health Administration and wage protections provided by the Service Contract Act, stressed the need for expanded labor political action programs through wider COPE checkoff contributions, and gave strong support to the striking Air Traffic Controllers.

Delegates overwhelmingly re-elected State AFL-CIO President Daniel J. Miller, Sec.-Treas. Joseph E. Martin and First Vice President Dongal G. Resha to new four-year terms. All district vice presidents were elected to new two-year terms.

Convention speakers included union Presidents William W. Winpisinger of the Machinists, Frank Drozak of the Seafarers and Sol C. Chaikin of the Ladies' Garment Workers, National COPE Director Al Barkan and Rep. Claude Pepper (D-Fla.).



JOB CORPS TEAMS trained by the Carpenters union swept three top prizes in their category at the Job Corps Anniversary Expo held in Washington. Here, one of the winning teams constructs a frame structure under accuracy and time requirements. Teams from a number of other construction trades also participated in the contest.

Administration Backs Proposals To Gut Model Job-Injury Benefits

The Reagan Administration has proposed wholesale changes in the Longshoremen's & Harbor Workers' Compensation Act that would cut off thousands of workers from coverage, sharply restrict benefits and weaken protections.

The law, which was strengthened in 1972 with broad support from labor, the insurance industry and the Republican Administration then in office, has been cited by the AFL-CIO as the "best workers' compensation law in the nation" and a model for the states. It is closely in line with the recommendations of the National Commission on State Workmen's Compensation Laws.

THE FEDERATION had recommended extension of the provisions of the act to all workers in testimony earlier this year before the Senate Labor & Human Resources Committee, which is now considering amendments that would gut the act.

The Administration's proposals are similar but not identical to the bill before the committee. Deputy Labor Under Sec. Robert Collyer told the committee the Administration favors returning coverage under the act to the pre-1972 definition of "the water's edge." Onshore dock and harbor workers would be ineligible for coverage except under state workers' compensation laws, most of which fall far short of the National Commission's standards.

The proposals also call for returning some "over the water" injuries to state programs.

The law now covers dock and shipyard workers, all private employment in the District of Columbia, employees at overseas military bases and workers at military post exchanges and other self-supporting federal activities.

BENEFIT increases under the Administration's plan would be capped at 6 percent a year for permanent total disability and death beneficiaries. The current law provides for an increase tied to the percentage increase in the national average weekly wage.

A cap would "not recognize current reality" in the increasing cost of living and inflation rate, the AFL-CIO contends.

The Administration also backs the proposal to reduce benefits by computing them on a base of 80 percent of the employee's spendable earnings rather than the present base of two-thirds of gross weekly wages. A proposal to deduct state and local taxes along with federal income taxes and social security taxes would lower the base even more.

IN CONTRAST, the National Commission recommended a different 80 percent spendable earnings formula that would take into account fringe benefits and deduct only federal income and social security taxes.

The Administration also proposes to cut off benefits to workers with partial disabilities when their current income reaches the point that it exceeds pre-disability income.

Another proposal would eliminate the disabled workers' right to choose the doctors treating their injuries if an employer lodges an objection to a particular physician. The Administration would give the Labor Dept. authority to make a final decision on the appropriateness of the doctor in disputed cases.

THIS PROPOSAL is less harsh than the Senate bill which would permit employers to give the Labor Dept. their own list of recommended doctors to be "authorized" under the law, but the AFL-CIO warned that any restriction of choice would take away the assurance of impartial examinations.

Other Administration proposals would increase the amount of benefit payments that could be offset by other compensation programs such as social security and income protection programs and sharply curtail the usage of the "second injury fund." This fund, paid for by insurance companies and self-insured employers, pays benefits to a worker whose on-the-job injury aggravates a pre-existing injury. The proposals would tighten the definitions of existing disability, give the Labor Dept. more authority to limit the fund's use and charge administrative and legal costs to it.

THE ADMINISTRATION has also asked that authority be returned to the Labor Dept. to review compensation cases and make binding decisions on them. The role of administrative law judges would be eliminated.

Other provisions recommended by the Administration include a stiff increase in the penalty against workers for misrepresentation, from a fine of $1,000 to $50,000 and from a year in jail to five years, along with an increase in the fine against employers who fail to secure a means of paying compensation, from $1,000 maximum to $1,000 a day.

Kirkland Presses Program To Revitalize U.S. Industry

(Continued from Page 1)

ism," Kirkland assailed the monetarist views that are the underpinning of Administration economic policy. Monetarism "depends upon the rigorous assumption that all economic elements are determined by the money supply. But the monetarists cannot even tell us how it can be accurately measured, or even what money is," he said.

As seen in Britain, where Prime Minister Margaret Thatcher has applied monetarist theories for the last two and a half years, such policies are anachronistic and only exacerbate economic conditions, Kirkland observed. Britain's unemployment rate under Thatcher has more than doubled to 12.4 percent and its rate of inflation—about 8 percent when she adopted a strict monetarist approach to keep down prices—is now 11.5 percent, he added.

RATHER THAN trusting to the outdated classical economic theories of 18th-Century natural philosopher Adam Smith or 19th-Century supply-side economist Jean Baptiste Say, "the true father of what is better known as trickle-down economics," the Administration could get a better handle on inflation by focusing on its true causes, Kirkland said.

These, he said, "are to be found in energy, food, health care, housing costs, and the unconscionably high cost of money," and attacking the problems "requires an array of specific, targeted measures."

One such measure would be the use of government authority under the 1969 Credit Control Act to lower interest rates by channeling available credit to productive use, Kirkland said.

"WE BELIEVE that credit allocation is preferable to destroying the housing industry, while funds are siphoned off for corporate merger activities and speculative investments and margin purchases," Kirkland said. "Instead of finding $7 billion of funds overnight to underwrite a Conoco oil merger, the credit sources should be targeted to developing new productive facilities, and rescuing the crippled housing and auto industries."

In summary, Kirkland said, the AFL-CIO has carefully studied the Administration's proposals over the past nine months and found them completely wanting in what it takes to meet America's economic, social, and international goals.

"We reject the idea that there is anything resembling a 'new beginning' in the revival of the hoary old trickle-down economics in the guise of 'supply-side' economics," he said. "But more important, we reject the policies themselves, simply because they will not work."

Convention Action

Bricklayers Restructure Key Executive Positions

Toronto—The 75th convention of the Bricklayers & Allied Craftsmen restructured the union's executive board, elected officers and adopted a comprehensive program to keep the union on a course of progress toward its objectives.

Some 1,500 delegates and guests attended the sessions, held here to honor the 100th anniversary of the affiliation of two Canadian local unions—Local 1 of Hamilton, Ont., and Local 2 of Toronto—which gave the union international status.

PRESIDENT JOHN T. JOYCE, Treas. L. Gerald Carlisle, Sec. Edward M. Bellucci and First Vice President James F. Richardson were re-elected without opposition.

The convention revised the executive board by combining the offices of secretary and treasurer and adding a fifth member. As now constituted the board includes Joyce, Bellucci as secretary-treasurer, and three executive vice presidents, Carlisle, Richardson and Louis Weir, formerly 5th vice president.

Donald Williams of Toronto was named first vice president. His appointment "underscores the union's awareness of the important issues and concerns of our Canadian members," Joyce told the delegates.

Williams will attend executive board meetings and play a key role in the newly established Canadian Advisory Board. That board will consist of representatives of Canadian local unions and provincial conferences and will enable BAC to better meet the needs of its Canadian members, Joyce said.

Also, the delegates endorsed a proposal to hold BAC conventions every five years, rather than every four. That provision, however, will not take effect until after the 1985 convention.

The convention also expressed its concerns at attacks on labor, moves to weaken prevailing wage and job safety laws and the Reagan Administration's effort to cut back social security provisions.

Sen. Edward M. Kennedy (D-Mass.) brought delegates to their feet as he promised to "oppose the attempt by the Reagan Administration and its allies to destroy the strength of the labor movement. I will oppose their attempt to apply antitrust laws against unions," he said.

PROPOSALS TO extend anti-extortion provisions of the Hobbs Act to union activity drew heavy criticism from Kennedy. "The criminal code should be used to fight crime. It should never be misused as a tool for anti-union employers and anti-union prosecutors to deny the legitimate rights of organizd labor," he said.

Kennedy charged that the Reagan Administration's economic recovery program is simply a "policy of tax cuts for the privileged, social security cuts for the elderly and Davis-Bacon wage cuts for construction workers."

He suggested more of the Administration's tax benefits should be geared to workers, adding: "Conditions on a construction site are not quite as plush as they are in the deep-carpeted, well-decorated offices of David Stockman."

In other action, the convention approved an increase in monthly per capita dues of $1 on Jan. 1, 1983, and an additional $1 the following year. The increases are necesary to maintain funding levels for major BAC programs, including the death benefit fund.

THE UNION'S Louis Sullivan Award for Architecture was presented to Henry Klein, senior partner in the Henry Klein Partnership in Mt. Vernon, Wash.

The award and accompanying $5,000 prize was established in 1970 to demonstrate the concern of masonry craftsmen for architectural and environmental quality. It is presented every two years to the practicing U.S. or Canadian architect whose work is judged to best exemplify the ideas and accomplishments of Sullivan, the father of modern architecture. The award program is administered by the American Institute of Architecture, and winners are chosen by a jury selected jointly by the AIA and BAC.



STRONG SUPPORT for the goals and programs of the labor movement was pledged by Sen. Edward M. Kennedy (D-Mass.) at the Bricklayers convention in Toronto. Kennedy is welcomed to the convention by Bricklayers President John T. Joyce, left, and Executive Vice President L. Gerald Carlisle.

Donovan Scored On Move to Lift Homework Ban

(Continued from Page 1)

trial work done in the home, thus leaving sweatshop conditions to flourish.

He also expressed concern that by eliminating protections in one of the seven industries, the spillover of abuses into the other areas "is inevitable and unstoppable."

Clothing & Textile Workers officials stressed similar points. ACTWU President Murray H. Finley and Sec.-Treas. Jacob Sheinkman said, "The United States has long prided itself on ending the blight of sweatshops and child labor. Now, more than 40 years after passage of the 1938 Fair Labor Standards Act, the Reagan Administration has turned back the clock and opened the doors to inhumane abuses which characterize exploitive nations."

THE UNITED Knitwear Manufacturers League denounced the deregulation as a danger to the four decades of progress in upgrading conditions in all sectors of the knitted apparel industry.

"Donovan's disregard for the ban and its purpose—to bring order, decency and industrial progress to the apparel trades in America—seriously threatens our domestic factories, our investment and our workers, and will promote the return of industrial homework to all branches of the apparel industry," the league charged.

Iowa Spurs Coalition Effort To Counter Reagan Policies

Waterloo, Iowa—Delegates to the Iowa State AFL-CIO's 26th annual convention, bent on transforming the spirit of Solidarity Day into action, resolved to organize grassroots coalitions of likeminded groups to protest the impact of President Reagan's economic policies on workers and their families.

The 300 delegates—many of whom joined 2,000 other Iowans in an 18-bus caravan to the Sept. 19 demonstration in the nation's capital—approved a resolution calling for the establishment of chapters of the Iowa Progressive Coalition in every key city and town in the state. A major task of the coalition is to draw up an "economic bill of rights" based on the principles of "jobs, dignity, and justice." The coalition was formed about six months ago by leaders of Iowa minority, labor, church, civil rights, women's, and other progressive groups.

CHAPTERS ALREADY exist in several cities, and State AFL-CIO President James J. Wengert said he expects others to be formed by the end of the year. The resolution called upon all affiliates to assist the State AFL-CIO in the establishment of still others.

In a keynote address, Wengert warned that labor's struggle for economic and social justice is "threatened by an Administration in the total service of the rich and powerful. Today we confront a concentration of wealth, income, and power greater than at any time in our history."

Wengert added that "virtually every element of the progressive movement of this century is on the chopping block: social security, employment and training programs, unemployment insurance benefits, food stamps, the Davis-Bacon prevailing wage law, and worker safety and health laws."

HE DESCRIBED "Reaganomics" as an economic policy that steals from poor and working people and rewards rich individuals and corporations. "This is not the time to retreat," he exhorted. "It is time to take a stand."

"We have to take concrete steps to build solidarity in our ranks and solidarity with our allies—the poor, the elderly, blacks, Hispanics, women, peace, farm, and religious organizations," he said. "You can be sure that if we don't unite around a program worth uniting for, corporate America will walk through the door and play its old game of divide and conquer."

Another resolution condemned irresponsible "runaway" corporations that have "levied great social and economic hardships on workers and the communities in which they reside for the sake of greater profits." The measure called on corporations to give advance notice before closing a factory and institute job retraining programs. It recommended government takeover as a last resort to protect workers from economic disaster in the event of sudden plant closures.

CONVENTION resolutions also called on the Administration to negotiate a new contract with members of the striking Professional Air Traffic Controllers Organization, pledged support to the PATCO Family Fund established by the AFL-CIO, and opposed any expansion of corporate tax breaks.

Wengert and Sec.-Treas. Mark L. Smith both were elected to new terms of office. Also elected to the federation's executive board were Executive Vice Pres. Donald P. Rowen, at-large Vice Presidents Lloyd J. Freilinger, William F. Fenton and Steve Elliott, and district Vice Presidents Leo Ruth. Pat Marshall, Gene Redmon, Perry Chapin, Ken Rains, and Joan Little.

Survey Finds Gas Heating Costs Soaring

Natural gas heating costs will rise an average 25 percent this winter and will go even higher if the Reagan Administration wins its campaign to decontrol natural gas prices, according to a survey of gas utilities by the Citizen/Labor Energy Coalition.

"Home heating costs continue to rise at a terrifying rate, far outstripping inflation," said William R. Hutton, executive director of the National Council of Senior Citizens, who serves as the coalition's secretary-treasurer.

"EACH WINTER more senior citizens and working households have trouble paying their heating bills," Hutton noted. "The Reagan Administration's plan to accelerate this cost increase by decontrolling gas prices is cruel and unrealistic," he declared.

Some 60 percent of the nation's households heat with gas. Costs for the Nov. 1-Mar. 31 heating season generally represent two-thirds to three-fourths of a homeowner's gas bills for the year.

"This study shows that, even without decontrol, most households will pay out more in higher gas bills this winter than they will get back in federal tax cuts," said Robert M. Brandon, Washington director of the Citizen/Labor Energy Coalition. "Gas decontrol would mean a giant step backward in the standard of living of most Americans."

The survey shows that the typical residential gas-heating customer will pay $398 for gas this winter. Costs vary by region, with New England customers averaging $618 and homeowners in the west south central region averaging $210. The coalition warned that the Administration plan for immediate decontrol could push 1982-83 gas bills to nearly double last year's levels and even higher in some regions.

"PRESIDENT REAGAN is in for a rude awakening if he tries to push through a bill to decontrol natural gas," said Howard Marlow of the AFL-CIO Dept. of Legislation.

"Even the Republicans are deserting him when they come face-to-face with angry constituents and the combined muscle of labor, senior, minority, farm and consumer groups."

The coalition, which represents over 200 labor, senior and citizen-action organizations, has joined the AFL-CIO in a national Campaign to Stop Natural Gas Decontrol. The campaign's sponsors aim to win pledges of opposition to decontrol from a majority of Congress. Already, one-fourth of the House of Representatives has lined up against decontrol.

Auto Workers Rejoin Industrial Union Dept.

The Auto Workers will rejoin the AFL-CIO Industrial Union Dept. on Nov. 1, ending a 13-year absence, IUD President Howard D. Samuel announced.

UAW President Douglas A. Fraser said the Auto Workers are looking forward to working closely with the IUD in areas of vital interest to its members as well as to continued participation in coordinated bargaining and cooperative organizing efforts.

The IUD was formed in 1955 and was headed by the late UAW President Walter Reuther until the union withdrew from the AFL-CIO in 1968. The UAW reaffiliated with the AFL-CIO July 1.

'Bracero' Experience Cited

Guest Worker Plan Hit As Threat to U.S. Jobs

A so-called guest worker program would aggravate U.S. unemployment and undermine wages and working conditions, the AFL-CIO warned a congressional committee studying illegal immigration.

AFL-CIO Research Director Rudy Oswald told the House Subcommittee on Immigration, Refugees & International Law that a program to admit temporary workers from Mexico would not stop or even reduce illegal immigration as its supporters claim.

THE REAGAN Administration has proposed a program that would allow up to 50,000 Mexican workers into the United States annually for a two-year trial period.

"It is difficult to understand," Oswald said, "why a guest worker program is being considered today when we have eight million unemployed and an unemployment rate of 7.5 percent."

He branded as "fiction" the argument that temporary foreign workers are needed to fill jobs U.S. workers refuse to take. He cited the findings of a Los Angeles Times poll that 75 percent of unemployed Americans would apply for and accept menial work at or near the federal minimum wage. A job that pays $4.50 an hour, Oswald pointed out, yields an annual full-time income just barely above the poverty level for a family of four.

HE REJECTED claims that wages are not an issue and that U.S. workers refuse to work in remote areas. The adequate supply of workers for construction of the Alaska pipeline demonstrate that wages "are indeed the issue," Oswald told the committee.

The AFL-CIO is convinced, he said, "that fair wages and decent working conditions would solve most so-called labor shortages, and we are even more convinced that the program being proposed would generate significantly more problems that it would solve."

Oswald cited the failure of the "bracero" guest worker program in effect from 1951 to 1964.

The program was introduced when the unemployment rate was at 3.3 percent, Oswald said, adding that when Congress abolished it in 1964 because unemployment had topped 5 percent for seven years, there was evidence that the program was neither desirable nor successful.

During the period when half a million braceros were legally entering the country, Oswald told the committee, "more than twice that number of illegals were being picked up by the Immigration & Naturalization Service."

The federation economist also pointed to the European experience with guest working programs, noting that even when such programs were ended in 1973, illegal workers continued to enter the same countries.

RACIAL CLASHES between foreign and domestic workers competing for a limited number of jobs, almost unknown in Europe before the era of guest worker programs, are now widespread, Oswald noted.

He told the committee the Administration's proposal recognizes some problems of guest worker programs, but its language covering wages and working standards is too vague. For example, he said, the proposal says only that "normal" wages and conditions would apply, but it does not define "normal."

Excluding guest workers only from those states that certify there is an "adequate" supply of American workers might tempt states "to interpret 'adequate' to mean workers who will work at substandard pay under poor conditions," Oswald pointed out.

THE PROGRAM is not restricted to farm workers, he stressed, adding that workers could be brought in to work in textile and apparel industries, in hotels and restaurants and in both skilled and unskilled jobs.

Although the Mexican government has not taken an official position, he noted, the temporary worker plan is opposed by the Mexican trade union movement.



GUEST WORKER program proposed by the Administration will increase U.S. unemployment and undermine wages and working conditions, AFL-CIO Research Director Rudy Oswald testifies at House subcommittee hearings. Appearing with him were left, Stephanie Bower, legislative representative of the Farm Workers, and Evelyn Dubrow, vice president and legislative representative of the Ladies' Garment Workers.

New Social Security Cutbacks Mar Senate Vote on Minimum

(Continued from Page 1)

reallocation of the revenues from the social security payroll tax, drawing from the healthier disability and hospital insurance trust funds to shore up the retirement and survivors' insurance fund. This is expected to keep the funds solvent at least through 1984, and possibly longer if the economy improves. If the financing problems continue, the bill authorizes borrowing by the retirement fund from the disability fund.

But the Senate also set a heavy price for partially restoring the retirement benefit floor as it sought to recover $3.7 billion of the $5 billion estimated cost of that concession through other changes that would mean benefit reductions for many present and future retirees. These include:

- A dollar-for-dollar offset in the minimum benefit for retired government workers by the amount their pensions exceed $300 a month, except that they would remain eligible for the amount of social security benefits actually "earned" through payroll contributions in non-government employment.
- Extension of social security payroll taxes to the first six months of all sick pay.
- Reduction of the maximum family benefit from 188 percent to 150 percent of the primary insurance amount in both retirement and survivor cases.

A HOUSE-SENATE conference committee must now attempt to reconcile the two bills before the elimination of the minimum benefit takes effect with the December 1981 payment. The heavy House vote for full restoration points to a strong fight in the conference to wipe out the Senate cutbacks.

Meanwhile, congressional Democrats reacted warily to Reagan's proposal for a 15-member task force on the social security system's long-term problems.

House Speaker Thomas P. O'Neill, in a letter to the President, expressed a willingness to go along with the task force concept, but rejected Reagan's plan to have it report back in January 1983 so as to keep the issue out of the 1982 congressional elections.

O'NEILL SAID he and Senate Majority Leader Howard Baker have agreed on an earlier report—by next Apr. 15—after which he said Congress "should proceed promptly" with legislation.

Under Reagan's plan, the Senate and House leaders each would name five members of the "bipartisan" task force and the President would fill the remaining five slots.

House Rejects Reagan Plan For AWACS Sale to Saudis

(Continued from Page 1)

In a letter to House members before the vote, AFL-CIO Legislative Director Ray Denison warned that the sale would be "an act of irresponsibility and high potential risk to the peace of the world."

THE PROPOSED arms sale—the biggest arms deal in history—is still alive, however, since a 1974 amendment to the Arms Export Control Act provides that both houses of Congress must pass a joint resolution to block a sale. The outcome in the Senate, which has until Oct. 31 to act on the resolution, remains in doubt as Reagan has restated his intention to persuade a majority of senators to go along with the measure.

In an apparent move to give Reagan more time to lobby senators, Senate Majority Leader Howard H. Baker, Jr. (R-Tenn.), postponed full Senate action on the measure from next Tuesday, as originally scheduled, until sometime during the week of Oct. 26.

EVEN IF both congressional chambers reject the arms sale, Reagan might seek to invoke emergency powers to consummate the transaction. The Arms Control Act allows a President to go ahead unilaterally with a sale if he deems it "important to the security interests of the United States."

In the four hours of debate preceding the House vote, Rep. Lee Hamilton (D-Ind.), chairman of the House Near East subcommittee said that he feared the sale would "fuel, not dampen, the spiraling Middle East arms race."

Controversy over the proposed sale erupted immediately after the Reagan Administration announced it last March. Those supporting the AWACS sale argued that refusal to approve it would jeopardize continued U.S. access to Persian Gulf oil and lose Saudi Arabia as an ally.

BUT IN MAY, the AFL-CIO Executive Council warned that, used in conjunction with enhanced F-15s, the radar planes would serve only to further destabilize the Middle East arms balance.

"The assassination of Egyptian President Anwar Sadat and indications of continued unrest in the Middle East have not changed the AFL-CIO position of opposition to the proposed AWACS sale," Legislative Director Denison said in his letter to congressmen. "Rather, our position has been reinforced."

10/17/81

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Operating Costs 1.5% For Social Security

Although administrative costs of the Social Security Administration amount to only $1.50 for every $100 collected, a public opinion survey found that most people think the costs are much higher.

The survey, based on interviews with 2,000 adults, showed that respondents thought SSA spent a median of $53 for every $100 it receives from social security taxes—nearly 35 times higher than the agency's actual administrative expenses in 1980.

Only 2 percent of the persons interviewed by the Roper Organization thought the administrative costs were below 10 percent of contributions. SSA noted that the 1.5 percent expense ratio for 1980 was one-tenth of 1 percent lower than it spent in 1979.

Job Losses Laid To 'Zero Tariff' Trade Program

American industries and workers are being unnecessarily burdened by repeatedly having to fight off unfair competition from a growing list of duty-free imports that are flooding U.S. markets, the AFL-CIO charged.

Federation Research Director Rudy Oswald, in testimony before an interagency panel of the U.S. Trade Representative, traced the problem to the administration of the Generalized System of Preferences.

ALTHOUGH special "zero tariffs" on imports were designed to help developing countries, Oswald said the GSP program continues to cost U.S. jobs and production while benefiting countries and companies already enjoying industrial prowess in world trade.

Oswald told the GSP Trade Policy subcommittee that a wide range of items proposed for exclusion from tariffs would have a dire impact on many U.S. workers.

He noted that the list includes such items as leather and luggage, woven fabrics, fabricated steel, radio and electronic instruments, food products, steel wire, dolls and bicycle tires, as well as many chemicals—all produced by a number of endangered U.S. firms.

The tariff preference system is not free trade or fair trade, Oswald stressed.

"THIS IS A special privilege given in U.S. law supposedly to help the neediest countries get some competence in trade without harming U.S. industries and workers. Instead, the list of items to be added suggests that there is no screening of the impact on the United States before the item is accepted for formal consideration," he observed.

Oswald noted further that countries such as Brazil and South Korea—which are not considered developing nations—can be granted special treatment unless contested by representatives of American firms and workers.

Building Crafts Blast Interest Disaster

Heavy Loss Of Jobs Cited By Kirkland

By John R. Oravec

Atlantic City, N.J.—Excessive interest rates are turning construction workers into unemployment statistics by the hundreds of thousands, AFL-CIO Pres. Lane Kirkland said in assailing the Reagan Administration's economic policy.

Kirkland noted in an address to the Building & Construction Trades Dept. convention that 17 percent of the nation's construction industry workforce was jobless last month—some 800,000 skilled craftsmen—and the toll is rising steadily.

THE FALLOFF in construction jobs stems from an interest rate scheme, he told the BCTD delegates, that is robbing home buyers, crippling the housing industry and bankrupting small contractors.

"What was criminal loan-sharking a few years ago is now standard practice," he said, "and it is as damaging and demoralizing to the producers as to the consumer. When the banker takes his 18 or 20 percent off the top, the builder either sells a shoddier product at a higher price or he goes under."

Kirkland charged that President Reagan failed to level with the American people when he campaigned for their votes last year.

"HE DID NOT try to win the hearts of building tradesmen or other workers with promises of higher and higher interest rates, fewer and fewer jobs, less and less concern for occupational health and safety and more and more tax breaks for banks and corporations."

Since 1969, Kirkland said, "when Richard Nixon introduced his tight-money, high-interest rate policies under the tutelage of Arthur Burns, the construction industry has dragged along in a state of chronic recession."

And the new super-saver certificate recently introduced means even higher lending rates, he warned. "Other gimmicks and formulas, such as variable interest rates, are not aimed at controlling inflation but only at insulating money lenders against inflation at the expense of homebuyers."

BCTD PRESIDENT Robert A. Georgine observed in his keynote address that over the years Administrations and Congresses have attempted without success to reduce interest rates through ineffective tactics.

"Only one option has not been tried fully, the one we have repeatedly put forward for national debate: the regulation of credit," he said.

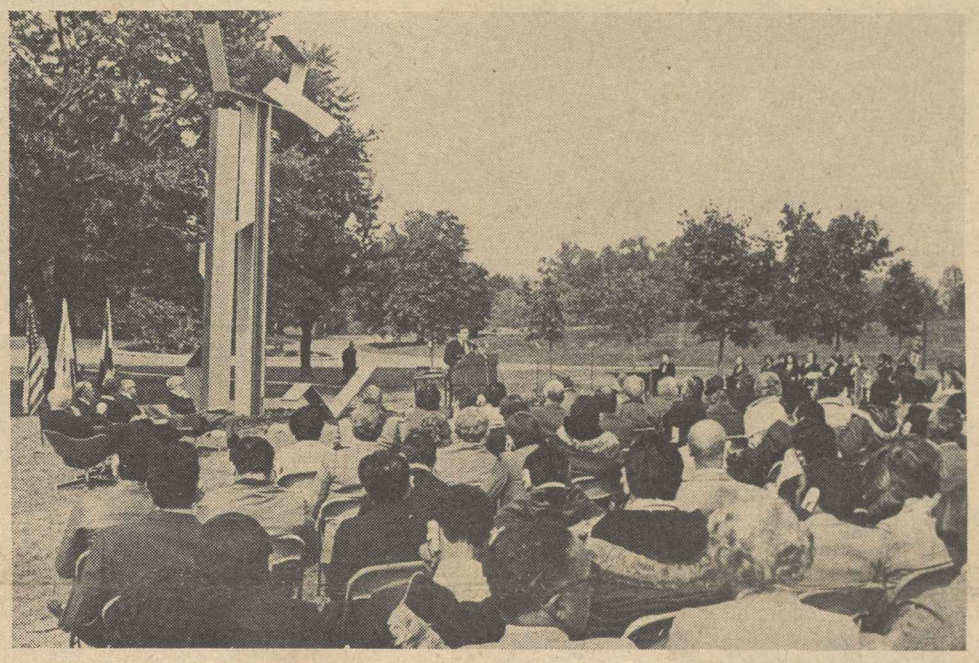
Georgine stressed the need for easing credit restrictions on productive investments such as housing and new plant construction, improvements in existing fac-

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Recession Grips Nation, Output Drop Continues



OUTDOOR SCULPTURE commemorating the Camp David peace accord between Egypt and Israel was dedicated at the George Meany Center for Labor Studies in Silver Spring, Md., with AFL-CIO President Lane Kirkland and the ambassadors of Israel and Egypt as speakers. **(Story, Page 3.)**

GNP Down 2nd Quarter In Succession

By James M. Shevis

The nation has sunk into its eighth business-cycle recession since the end of World War II, according to government statistics.

"Real," or inflation-adjusted, gross national product—the total output of goods and services—contracted at a seasonally adjusted rate of six-tenths of 1 percent from July to September, the Commerce Dept. reported, the second consecutive quarterly decline in economic growth.

At the same time, the government said inflation was running at an annual rate of 9.4 percent, considerably above the second quarter's 6.4-percent rate, with the rise attributed mainly to higher costs for food and services.

THE DOWNTURN was shrugged off by Commerce Sec. Malcolm Baldrige as "almost necessary" to hold down inflation —and the AFL-CIO sharply dissented.

"Joblessness, already high, is likely to grow further," AFL-CIO Research Director Rudy Oswald warned.

"The Administration's only response," he charged, "is to propose further budget cuts that will worsen the suffering of the growing numbers of unemployed. Meanwhile, the tight monetary policies that the Administration has been encouraging for the past 10 months have severely crippled the housing and auto industries, and led to increased bankruptcies."

Oswald pointed out that the indicators

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PATCO Slates Appeal In Decertification Case

The Professional Air Traffic Controllers announced the union will appeal the action of the Federal Labor Relations Authority stripping the union of its right to bargain for the 11,500 striking controllers employed by the FAA.

PATCO Attorney Richard Leighton said that pending the appeal, the union would move quickly to seek a stay of the FLRA order from the U.S. Court of Appeals.

The FLRA voted 2 to 1 to decertify PATCO as exclusive bargaining representative of the controllers, upholding the finding of an administrative law judge that the union had violated the no-strike provision of the law governing federal employees by engaging in the strike, which began last Aug. 3.

THE FLRA majority in the case consisted of Members Henry Frazier III and Leon B. Applewhaite. Dissenting from the revocation order was Chairman Ronald W. Haughton.

While agreeing with the majority that the strike constituted an unfair labor practice under federal law, Haughton said the record was insufficient to determine the appropriate remedy, whether it be revocation of bargaining rights or other action. He would have remanded the case to the chief administrative law judge for further hearings.

THE DECISION was issued just two days after union officials renewed their appeal to the Reagan Administration for reinstatement of the striking controllers and cited the spreading economic consequences of the Administration's continuing refusal to do so.

PATCO President Robert Poli told the House Post Office & Civil Service Committee that since the walkout began, more than 25,000 airline employees have been laid off, while others have been forced to take pay cuts.

"THE LAYOFFS are now spreading to associated industries, such as aircraft man-

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GOP Moderates Balking At Hard-Line Reaganomics

By David L. Perlman

President Reagan's insistence on a new round of spending cuts and his apparent hostility to a voting rights bill that has strong bipartisan support is shaking the once-solid lineup of congressional Republicans.

In the House, a swing group of northern Republicans has balked at the Administration's demand for an additional 12 percent federal spending cut—on top of the drastic cutbacks already imposed.

The first signs of resistance came early this month, when 37 Republicans joined all but 22 House Democrats to defeat an Administration attempt to make further cuts in appropriations for the Labor Dept., the Dept. of Health & Human Services and the Education Dept.

Since the House has already passed the bulk of its appropriations bills, the next round will be fought in the Senate, where most of the spending bills are still in committee.

Senate Republican leaders have already told White House officials that the cuts the President wants for the current fiscal year are too extreme. But rounds of negotiations involving House and Senate Republican leaders and the Administration found the President's party unable to reach a consensus. Senate Republicans reportedly got the White House to agree to a package of new taxes as a partial alternative to budget cuts. But House Republicans said they couldn't go along with higher taxes and would rather risk a bigger budget deficit.

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Perkins Named COPE Director, Succeeds Barkan

AFL-CIO President Lane Kirkland has announced that he will appoint John Perkins as director of the federation's Committee on Political Education (COPE), succeeding Alexander E. Barkan who is retiring at the end of 1981.

Perkins, 48, has served as a COPE area director, assistant director on the national staff and associate director since 1977.

He joined the Carpenters Union in Elkhart, Ind., in 1952 and served as business manager of his local for 11 years. He also was an officer of the Indiana State Building & Construction Trades Council and held various offices in the local central labor body.

Perkins joined the AFL-CIO national

(Continued on Page 2)



NORDIC TRADE UNION LEADERS met with AFL-CIO President Lane Kirkland, Sec.-Treas. Thomas R. Donahue and other federation leaders to discuss matters of mutual concern. The delegation, headed by Vice President Knud Christensen of the Danish Federation of Trade Unions, discussed free trade unionism in Poland and the status of talks on AFL-CIO reaffiliation with the International Confederation of Free Trade Unions among other topics.

World Problems Explored By Nordic Unions, AFL-CIO

Leaders of the AFL-CIO exchanged views with a delegation of trade union representatives from Nordic countries on a wide variety of topics of common concern at a two-day meeting at federation headquarters.

The meeting with the 16 delegates representing the Council of Nordic Trade Unions was marked by frank and open discussions on the status of AFL-CIO reaffiliation with the International Confederation of Free Trade Unions, the situation in Poland where the independent labor federation, Solidarity, is struggling to survive, and other matters.

THE COUNCIL of Nordic Trade Unions comprises the national labor federations of Norway, Finland, Iceland, Sweden, and Denmark. All but Iceland were represented at the meeting.

Bilateral discussions between the two labor bodies began last year with AFL-CIO President Lane Kirkland's visit with council leaders in Stockholm. It was decided at this year's meeting to continue the exchanges.

Other discussions focused on the economic situation in each of the countries represented, with particular emphasis on government policies toward unemployment and economic growth, and the position of trade unions with regard to government policies in their own lands. Delegates also discussed assistance to trade union movements in other countries, particularly South Africa.

AFL-CIO LEADERS involved in the talks were Kirkland; Sec.-Treas. Thomas R. Donahue; the federation's European representative, Irving Brown; Research Director Rudy A. Oswald, Assistant to the President Dale Good, and Vice President Sol Chaikin, a member of the federation's International Affairs Committee and president of the Ladies' Garment Workers.

While in Washington, the delegation attended a dinner in its honor at the home of the Swedish ambassador. The visitors also spent two days in New York City, visiting Chaikin and other ILGWU officers before returning to their own countries.

The Nordic trade unionists included Vice President Knud Christensen and International Sec. John Svenningsen of the Danish Federation of Trade Unions; President Kirsten Stallknecht and Hans Martens of the Danish Federation of Civil Servants & Salaried Employees Organization; President Pertti Viinanen and International Sec. Markku Jaeaeskelaeinen of the Finnish Confederation of Salaried Employees; President Matti Kinnunen and International Sec. Kari O. Virtanen of the Central Organization of Finnish Trade Unions.

ALSO, PRESIDENT Gunnar Nilsson and International Sec. Erik Karlsson of the Confederation of Swedish Trade Unions; President Lennart Rodstroem and International Sec. Sven Fockstedt of the Swedish Central Organization of Salaried Employees; International Sec. Kaare Sandegren of the Confederation of Norwegian Trade Unions, and Gen. Sec. Lennart Forsebaeck and Sec. Christer Ahlen of the Council of Nordic Trade Unions. Labor Attache Sune Ahlen of the Swedish Embassy also was a member of the delegation.

Ohio Unionist Honored By State Arts Council

Cincinnati—Ben Shouse, cultural arts committee chairman of the Cleveland AFL-CIO-sponsored United Labor Agency, received a top award from the Ohio Arts Council for his service to the arts on behalf of organized labor.

Shouse, who retired last year as president and business manager of Upholsterers Local 48, has headed the arts committee since its founding five years ago.

Among its numerous community service projects, the committee produced a 1976 hit play, John L. Lewis, Disciple of Discontent.

Corporate Dividends Surge To Record Rate for Quarter

Corporate dividends climbed to a record level in the third quarter of 1981, despite a drop in the stock market and a generally weakening economy.

The Wall Street Journal reported that American companies paid out dividends at an estimated rate of $62.9 billion in the July-September period, a record for any quarter. The rate was nearly $1 billion higher than in the second quarter of the year and $6.2 billion more than in the third quarter of last year.

Thanks to the recent surge, dividend payments in the last year have risen about 11 percent, matching fairly closely the comparable increase in consumer price rises, the Journal noted.

Interest income has recently risen even more sharply than dividend payments, a report by Merrill Lynch Economics Inc. shows. "Individuals will earn roughly $307 billion of interest income this year," the report estimates. "This is twice the level of just four years earlier."

Illinois Adopts 2-Year Interval For Conventions

Chicago—Almost 2,000 delegates to the 24th annual convention of the Illinois AFL-CIO approved a series of constitutional amendments to streamline the operation of the state federation, reaffirmed legislative goals and attacked policies of the Reagan Administration that put new burdens on working families and the poor.

Convention speakers toasted the success of national Solidarity Day on Sept. 19 and Illinois Labor Lobby Day on June 2, the largest labor demonstrations ever held in Springfield and Washington.

CHANGES IN the State AFL-CIO constitution provide for biennial instead of annual conventions starting in 1982, adjustments in the apportionment of delegates to attend conventions, enlarging the executive board from 19 to 23 vice presidents and streamlining election procedures. The convention also added a Committee on Public Employment to the list of constitutional committees.

Delegates called for legislation to ban the contracting out of work done by public employees and urged new efforts to pass a public employee collective bargaining bill.

IN HIS KEYNOTE address, State AFL-CIO President Gibson stressed the need for labor unity to combat "the siren songs of the left and the right" and bring "the real issues into the workplaces and the homes of our members and to everyone else we can reach."

"Right and justice are on our side," Gibson declared." That was the message of Solidarity Day in Washington. . . ."

In addresses to the delegates, the state's U.S. senators both denounced proposals to cut back social security benefits.

SEN. ALAN J. DIXON (D) said any Administration that would eliminate the $122 minimum benefit for the elderly "is an Administration without heart."

Sen. Charles H. Percy (R) assailed efforts "to pull the rug out from under those who have been pouring into the social security system for 35 or 40 years and give them seven months notice that their retirement date on Jan. 1 is going to be changed."

Rep. Cardiss Collins (D-Ill.) cited the Solidarity Day demonstration as a loud, clear appeal for economic democracy. She said the right-wingers must be challenged firmly to prevent America from returning to the days of unsafe working conditions, sweat shops, child labor and low pay.

GOV. JAMES R. Thompson (R) said his top priority is jobs for the people of Illinois. Thompson, who will seek re-election next year, urged labor not to tie itself to one party and to support those who have backed the trade union movement's program.

National COPE Director Al Barkan urged unions to start the 1982 election drive now and to initiate the dues checkoff system to raise funds for COPE-endorsed candidates.

Panel Rejects Move to Kill Usury Laws

A labor-opposed bill that would invalidate state interest rate ceilings on consumer loans was rejected by a House subcommittee by an 8-1 vote despite Administration endorsement.

Consumer organizations had charged that federal pre-emption of state usury laws which limit interest rates on loans and credit purchases would amount to legalization of "loan sharking."

CONGRESS LAST year exempted mortgage and auto loans from state interest rate ceilings on the assumption that this would make financing more rapidly available. In fact, AFL-CIO Legislative Director Ray Denison noted, the removal of interest ceilings contributed to an escalation of interest rates that left both the homebuilding and auto industries worse off.

In a letter to the House Banking Subcommittee on Consumer Affairs that was considering the bill, Denison stressed that the real problem Congress should be addressing is "the high level of interest rates," rather than state laws that seek to hold interest costs down.

Encouraging higher rates for consumer loans, he warned, would only "saddle consumers with high debt burdens and lead to increased bankruptcies."

ASSISTANT TREASURY Sec. Roger Mehle testified for the bill, contending that interest ceilings "dampen economic growth." But a senior Republican on the subcommittee, Rep. Chalmers P. Wylie of Ohio, explained the near-unanimous rejection of the measure by noting that constituents back home would be likely to perceive a vote for the bill as a vote for high interest rates.

An interest pre-emption clause is, however, included in an omnibus bill being considered by the Senate Banking Committee.

Perkins Named COPE Director, Succeeds Barkan

(Continued from Page 1)

staff in 1968 as COPE area director for Illinois and Indiana and moved to Washington in 1971 as assistant director.

He was the coordinator of the Sept. 19, 1981, Solidarity Day demonstration.

Barkan, 72, has been on the COPE staff since the merger of the AFL and CIO in 1955, serving as an assistant director, deputy director and as director since 1963.

A native of Bayonne, N.J., he graduated from the University of Chicago and joined the Textile Workers Organizing Committee, predecessor of the Textile Workers Union of America, as an organizer. After service in the Navy he became veterans director for the CIO Community Services Committee, served as executive secretary of the New Jersey CIO Council and in 1948 rejoined TWUA as political action director. He was named assistant director of COPE in 1955, deputy director in 1957.



JOHN PERKINS

Merger Goals Pressed

Solidarity Theme Marks Graphic Arts Sessions

Detroit — The Graphic Arts International Union carried on two traditions at its third constitutional convention here.

One was the transferring of its convention from Honolulu to Detroit as an act of solidarity with the striking Air Traffic Controllers. This made it possible for delegates to travel by means other than air.

IT WAS THE third time in 12 years that the GAIU had transferred its convention site on short notice for trade union reasons. In 1969 and 1978, it switched convention sites because of strike action by hotel workers.

The other tradition was the reaffirmed goal of unifying all graphic arts unionists into a single union. Major steps toward that objective were the merger of the Lithographer and Photoengraver unions in 1964 and the subsequent merger with the Bookbinders union in 1972. The Lithographer craft was the first to unionize in 1882, so the convention was "on the eve" of the union's centennial.

Unanimously adopted by the delegates, the resolution directed GAIU officers to pursue the goal of unity. It said dramatic changes in technology and in corporate restructuring "mean the day is past when we can afford wasteful competitiveness of all the resources of all the unions in the graphic arts industry to obtain better contracts, greater job security and maximum unionization."

GAIU PRESIDENT Kenneth J. Brown extended convention invitations to the other unions in the industry to "compare notes" on the need "to close ranks at this most critical moment."

Newspaper Guild President Charles A. Perlik, Jr., expressed the hope to convention delegates that all four unions would "sit down and talk—talk about what we can do to forge the kind of solid unity we desperately need. And then I hope something else."

Robert L. Wartinger, a Typographical Union vice president, stated: "We can do a better job in the years ahead by working together—by 'closing ranks.' We are pledged to find the formulas and, hopefully, the elusive merger formula that will again make us one."

IN ANOTHER major address, Auto Workers President Douglas A. Fraser branded the Reagan Administration a "government of the rich, by the rich and for the rich" and accused President Reagan of "making something of his victory that it isn't. Reagan did not get a mandate to repeal the New Deal, Fair Deal, Great Society, he said.

However, Fraser added, "the Democrats are covered with no glory, as shown by their voting windfall tax credits for big oil and the wealthy."

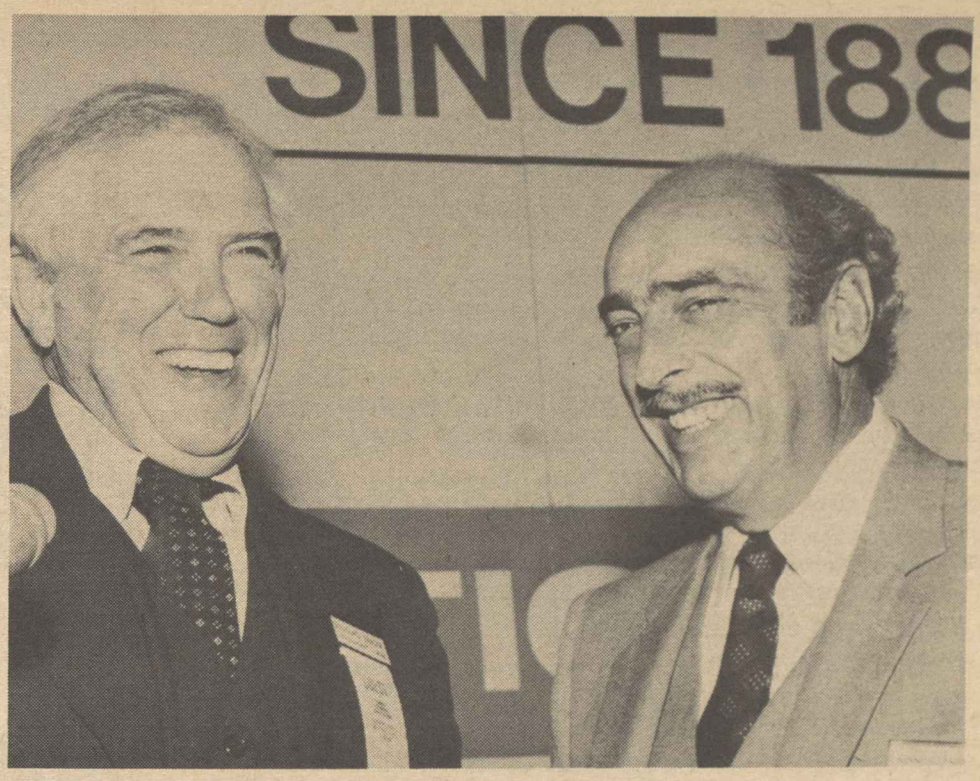
To complement the organizing program of the union, for which the members last year voted a 50-cent per capita increase to add six more fulltime organizers, the convention approved a new education program that will go to a unionwide membership referendum during November.

Based on statistics showing that 50 percent of GAIU members have been in the union less than five years and 30 percent less than three years, the proposal would divide the education department into two divisions. The craft training division, which has established 60 local training programs since 1966, will remain. A new division would concentrate on shop steward and membership education.

The convention marked the end of the nine-year merger agreement that created GAIU in 1972. The original GAIU International Council had 50 members (18 officers and 32 councilors). It will now be reduced to 24 (10 officers and 14 councilors), with all posts open to any craft.

Brown, first elected to his post in 1960, is unopposed for re-election as president, as are five of seven vice presidents. For the 14 councilor posts, there are 24 candidates. Elections will be by membership referendum in December.

Two veteran leaders announced their retirement as of Mar. 31, 1982. They are Sec.-Treas. Joseph Hellman and Vice President Edward V. Donahue, who heads the union's political and legislative activities.



CLOSING RANKS in defense of organized labor's gains for working people was a key theme of the Graphic Arts International Union's convention in Detroit. GAIU President Kenneth J. Brown welcomes Auto Workers President Douglas Fraser for a major address to the delegates.

Workshop Sessions Highlight Washington State Convention

Everett, Wash.—The Washington State AFL-CIO combined a special constitutional convention with a series of workshops on pressing issues to draw an overflow number of delegates to a three-day meeting here.

Only 300 delegates had been expected to attend the event. The actual turnout of more than 500 attested to the fact that the labor movement in Washington is active and growing, State AFL-CIO President Marvin L. Williams observed.

THE FEDERATION'S executive board called the meeting to update and amend the organization's constitution, which had not been rewritten since the AFL-CIO merger in 1955. The delegates adopted nearly all of the proposed changes.

Besides streamlining constitutional language and attending their choice of seven different workshops, the delegates approved a series of resolutions. The measures included support for a proposed boycott of Cudahy Bar-S products for the company's union-busting tactics at its Seattle plant, an initiative campaign next year to roll back interest rates in the state, and plans for a labor rally at the state capitol during the 1982 legislative session.

One of the workshops dwelt on the critical need for effective plant-closure legislation to protect workers faced with sudden job loss. The need for such protection has become starkly evident in Washington, where the important lumber and sawmill industry is being devastated by the crippling construction slowdown. Unemployment rates of 20 and 30 percent in lumber-dependent towns are common, delegates were told.

ANOTHER TOPIC dealt with the state's current financial crisis. Gov. John Spellman has called a special session of the legislature next month to find a way out of the financial morass that the state now finds itself in. Republicans have called for cutbacks in programs and services for the needy, while the State AFL-CIO is seeking more equitable solutions.

A workshop on the issue of sex harassment and comparable worth was especially timely. The State AFL-CIO, along with Council 28 of the State, County & Municipal Employees, recently filed sex discrimination charges against the state with the U.S. Equal Employment Opportunity Commission on behalf of nine individual female plaintiffs.

The charges cite the state's own pay equity studies showing that male state employees are paid 22-35 percent more than females in job classes requiring the same levels of skill, effort, and responsibility.

WORKSHOPS BY State AFL-CIO President Williams and Sec.-Treas. Larry Kenney outlined labor's goals in Washington State and focused on the federation's financial picture.

Kenney said that the success of this year's workshops could make them a feature of the federation's off-year conventions. Regular conventions will continue to be held every two years, he noted.

Camp David Pact Inspires Sculpture at Labor Center

The AFL-CIO pledged its continued support for the security of Israel while at the same time reaffirming its commitment to a lasting Middle East peace as envisioned in the Camp David agreement.

Federation President Lane Kirkland warned that "terrorism is the enemy of civilization," the big threat to peace.

AT A CEREMONY at the George Meany Center for Labor Studies dedicating a steel sculpture to commemorate the Camp David peace accord, Kirkland noted that the assassination of Egyptian President Anwar Sadat has once again given the world a glimpse of the "terrible reality of the terrorism that would destroy not only great men but an entire nation and people." And he vowed:

"The AFL-CIO will vigrously oppose any actions by our government that lend legitimacy and respectability to terrorist organizations—whether or not they recognize Israel's right to exist."

Dedication of the three-piece sculpture, created by noted American artist Vivienne Thaul Wechter, had been scheduled before Sadat's assassination. In the wake of Sadat's death, the ceremony took on a special meaning, Kirkland observed.

"ANWAR SADAT'S faith in humanity cost him his life," he said. "As we stand before this work of hope, we are reminded that all who share that hope are also victims of the assassins who destroyed the peacemaker."

Egyptian Ambassador Ashraf A. Ghorbal, who spoke at the dedication ceremonies along with Israeli Ambassador Ephraim Evron, said that while Sadat is gone "his legacy is with us and will so continue. . . The peace that he charted and we unanimously support will continue, I daresay, with more conviction and more vigor."

The overwhelming election of Hosni Mubarak to succeed Sadat as president of Egypt "confirms our unwavering stand to enhance and maintain the Camp David accord as a framework of a comprehensive peace that encompasses all the peoples and countries in the area," he said.

Ambassador Evron warned that the Palestine Liberation Organization can never be a partner to the peace process because it is committed to the destruction of Israel. "There can never be any dialogue with people who are committed and determined to eliminate you," said Evron.

The ambassador said the Israelis were encouraged by Mubarak's expressed intention to "follow in the road to peace that was charted by his illustrious predecessor," and that the peace talks are continuing. But he cautioned that peace means more than words.

"THERE CAN BE no peace if Israel is weakened, if Israel is put in a situation where it cannot defend itself. A weak Israel is a temptation and an invitation to war," Evron said, "and therefore security is an indivisible part of the peace process."

Formally titled "Leap into Faith—Homage to the Camp David Accord," the commemorative sculpture was crafted by members of the Steelworkers in Pittsburgh and assembled early this month as a permanent addition to the Meany Center. Its creator describes the work as "a tangible affirmation of the always possible strength of the human spirit."

Mediation Service Shuts 4 Offices

The Federal Mediation & Conciliation Service announced consolidation of its eight regional offices into four geographical areas to conform to the Reagan Administration's order for cutbacks in government agencies.

The headquarters office for each area, Eastern, Southern, Central, and Western, will be situated in New York, Atlanta, Chicago, and San Francisco, respectively.

Continued Ban Urged on Export Of Alaskan Oil

Existing restrictions on exports of crude oil from Alaska's North Slope are in the nation's interest and should be retained, AFL-CIO President Lane Kirkland urged in a letter to Interior Sec. James G. Watt.

Kirkland expressed concern that a Cabinet committee is considering supporting legislation that would lift export restrictions so that Alaskan oil could be sold to Japan or "swapped" for oil from other nations.

CONGRESS HAS mandated that Alaskan oil be kept in the United States, with rare exception. But Kirkland noted that repeated pressures to allow its export have discouraged the construction of new West Coast refineries and west-to-east pipeline facilities.

In any emergency, Kirkland stressed, the United States "will need all the oil it can get" and shouldn't have to depend on foreign sources.

Further, he noted, consumers are unlikely to benefit from any export profits, and the economy will suffer "from decreased employment, oil transportation and shipbuilding."

'Off Our Backs'

OKAY, now government is off our backs. It happened Oct. 1, the start of a new federal fiscal year, when Reagan budget and tax cuts went into effect.

It's a great feeling, isn't it? Getting the government off your back? Following is a partial listing of whom the government is getting off the backs of.

- Government is now off the backs of more than one million jobless workers who'd previously been eligible for extended unemployment benefits. No such benefits will be loaded on their backs anymore.
- Government is now off the backs of 234,000 workers, jobless because of imports. Special unemployment benefits are no longer available to them.
- Government is now off the backs of millions (nobody's sure just how many) who will lose their eligibility for health care under the Medicaid program. Most of these are the working poor. In fact, most of those whose backs government is getting off of in a whole range of programs are the working poor.
- **GOVERNMENT** is now off the backs of some 340,000 workers who held jobs under the CETA program and whose jobs provided needed community services.
- Government is now off the backs of several hundred thousand college students and students-to-be—most of them the children of workers—who now will be ineligible for low-interest loans for their education.
- Government is now off the backs of more than 400,000 families previously getting help under Aid to Families With Dependent Children (another 258,500 families will have benefits reduced).
- Government is now completely off the backs of 875,000 families that previously got food stamps and partly off the backs of 1.4 million families representing five million persons who've had their food stamp benefits reduced.
- Government is now off the backs of millions of elderly Americans. The deductible amount of hospital costs they must pay under Medicare rises 27 percent.

—Memo from COPE.

'Almost Necessary'

IF THERE is any chagrin on the part of the Reagan Administration that the first fruit of its economic policy is a recession, you won't find it in the reaction of Secretary of Commerce Malcolm Baldrige.

"A slight recession," he told reporters, is "almost necessary right now."

The policies that put the economy into reverse, he suggested, are what the nation needs to hold down inflation.

With no visible regret, Mr. Baldrige said the economy's "sluggishness" is likely to continue. "I don't think there is any way out of it."

THERE IS, of course, a way out through the job-creating, economic stimulus programs that previous Administrations, both Democratic and Republican, have used to counter unemployment. But this is not the way of the Reagan Administration.

Unfortunately, for workers without jobs because of an "almost necessary" recession, it is "almost necessary" to eat and pay the rent.

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THOMAS R. DONAHUE, *Secretary-Treasurer*
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Foot in the Door



Going Down in Flames

Rise in Arson for Hire Reflects Continuing Decline of Economy

By Gus Tyler

FOR MANY BUSINESSMEN, the light they see at the end of the tunnel is the burning of their own business property.

Whether landlords, manufacturers or small storekeepers, they look to the flames for their financial salvation. Faced with nothing but loss upon loss, they seek the only gain of which they can be certain: collect insurance.

AS IN SO MANY other social phenomena, one of the surest indicators of what is happening to our society is what goes on in the world of crime, where arson is the most rapidly growing business in the criminal world. Last year arson cost the nation $15 billion. The sum is big, but it will soon be bigger. Arson is rising at the rate of 20-25 percent a year.

Not all arsonists, of course, are in it for the buck. There are just plain nuts, firebugs, who like to set things aflame just to see the flash and the flare.

The number of such psychos, however, does not rise appreciably. The great increase in arson comes from those who apply the torch for profit. Those crimes are rising even more rapidly than arson in general.

EVIDENCE THAT arson is big time is the change in the entrepreneurs now engaged in the burning business. At one time, the arsonist was a loner, some individual who, for a couple of bucks, would pour the gasoline and strike the match.

That is no longer so; arson is now the jurisdiction of organized crime. Which means that setting fires for profit is a highly profitable business, for otherwise it would not be worth the time and trouble of the biggies to enter the racket.

Organized crime people are also, of course, more reliable folk with whom to deal. They are professional; they leave fewer telltale clues; they are not likely to squeal, fearing that they will be punished for hurting the good name of the "family" for whom they work.

ARSON IS on the rise because there are more arsonists around and more people who want to hire the torch for profit. And both factors are basically caused by the same fact: an economy in trouble.

The high unemployment rate puts more people on the street who are ready to make a buck by arson. The failing economy puts more business people in the desperate position where they try to "liquidate" their assets by burning down their property to collect insurance.

THE NECESSARY correlation between the downward movement of the economy and the upward movement of crime—such as arson—is such that the number of fires-for-profit might well be used as a key indicator.

Viewed in this manner, it is more than metaphor to suggest that our economy may go down in flames.

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'Terrorism Itself Is the Enemy...'

Anwar Sadat's faith in humanity cost him his life. As we stand before this work of hope we are reminded that all who share that hope are also victims of the assassins who destroyed the peacemaker.

They have reminded us of the boundless brutality that animates their cause. They have revealed the heart of darkness into which they would draw the world.

In the assassination of Anwar Sadat the world has once again glimpsed the terrible reality of the terrorism that would destroy not only great men but an entire nation and people. The AFL-CIO will vigorously oppose any actions by our government that lend legitimacy and respectability to terrorist organizations—whether or not they recognize Israel's right to exist. One cannot pick and choose the agents of terrorism that one will support or reject. It is terrorism itself, stripped of its political rationalizations, that is the enemy of civilization.

In dedicating this work of art, we rededicate ourselves to the spirit it symbolizes and the course it commends.

—AFL-CIO Lane Kirkland at dedication of sculpture commemorating Camp David peace accord.

Safeguards Termed Inadequate

'Guest Worker' Plan Attacked As Reviving Bracero Program

The following is from AFL-CIO testimony before the House Judiciary Subcommittee on Immigration, Oct. 14, 1981.

THE REAGAN Administration's proposal to import temporary labor from Mexico is euphemistically labelled a "guest worker" program.

It would provide for up to 50,000 guest workers to be admitted annually for a two-year trial period. The Labor Dept. would be responsible for allocating the 50,000 job slots among the states which certify that there is an inadequate supply of American workers.

We had a guest worker program in this country for some 13 years—from July 1951 to December 1964. That program, known as the bracero program, was instituted when the unemployment rate was 3.3 percent and there were 2 million unemployed persons in the United States.

AT THAT TIME, the case was made that with a relatively small number of unemployed, it was virtually impossible to meet the seasonal needs of employers who use temporary workers for limited periods of time.

The bracero program was abolished by the Congress in 1964, in part, at least, because unemployment had remained at or above 5 percent for a seven-year period, and there was reason to believe that a guest worker program, with its attendant problems, was neither essential nor desirable.

If Congress eliminated the bracero program when unemployment had risen to 3.8 million workers and the unemployment rate was 5.2 percent, it is difficult to understand why a "guest worker" program is being considered today when we have 8 million unemployed and an unemployment rate of 7.5 percent.

We are aware that there may be a few problems in recruiting seasonal workers for certain jobs even when the pool of unemployed workers is 8 million, but we insist that the problem is one of wages and working conditions.

We urge you to reject the undocumented but oft-repeated charge that temporary foreign workers must be brought into the United States to take jobs which American workers refuse to take. The charge is a fiction.

THE PROPOSAL for a guest worker program notes that "normal" wage and working standards would apply but does not define "normal." In fact, despite considerable experience in the field of labor standards, I have never encountered the word "normal" as applied to a standard for wages or working conditions.

Our experience with guest worker programs would lead us to require more than an assertion by a state that they require guest workers. We are not reassured by the requirement that guest worker jobs would be excluded in a state only if the state certifies that there is an adequate supply of American workers.

I do not wish to sound cynical but I can foresee instances in which states might well interpret the word "adequate" to mean workers who will work at substandard pay under poor conditions and, lacking a pool of such workers, would feel justified in asking for guest workers.

There is nothing in the program which restricts it to farm workers. Workers could be brought in to work in the textile and apparel industries as well as in hotels and restaurants, and in skilled and unskilled jobs.

WE NOTE that the advocates for this program see it as a means of improving relations between Mexico and the United States. However, the National Committee for Full Employment, a coalition of church, civil rights, Hispanic Americans and labor groups, has said that "it makes no sense to bring additional workers to the United States when there are 8 million unemployed."

Other groups have opposed the program because they foresee the creation of a group of employees ripe for exploitation.

To my knowledge, the Mexican government has not taken an official position on the issue but the Mexican trade-union movement has indicated opposition to the program.

Also, Mexican officials have expressed concern not only that they might lose workers with needed skills but also concern with the social problems which would be generated by requiring that guest workers leave their spouses and minor children at home.

THE AFL-CIO has frequently stated its support for a coordinated, integrated immigration policy.

We have also endorsed the use of strong and effective federal sanctions against employers who hire illegal immigrants, including injunctions backed by criminal penalties for repeat violators.

We do not view the guest worker program as a means of stopping or even reducing illegal immigration. We see it only as aggravating our already serious unemployment problem and as a tool for undermining wages and working conditions.

A thorough review and overhaul of the nation's immigration policy is long overdue. The AFL-CIO pledges that organized labor will taken an active role in the effort to pass constructive legislation.

Policies Not Working

Downturn in Economy Linked To Reagan's Failed Programs

THE ADMINISTRATION'S economic plan has plunged the economy to a new low that is hurting millions of ordinary Americans while high-income individuals and corporations reap increasing benefits, AFL-CIO Research Director Rudy Oswald charged in a network radio interview.

Stressing that half-a-million more workers have hit the unemployment rolls in the last two months and that bankruptcies are running substantially ahead of last year, Oswald scored President Reagan's new push for more budget cuts "just two months after he had signed a bill that he said contained more than everything he wanted."

In effect, the President is admitting that "his program of budget cuts and tax policies is not working the way he predicted it would work," Oswald asserted. He was questioned by reporters on the AFL-CIO public affairs program, Labor News Conference.

Oswald said that with "very minor changes" in the tax cuts, the President could get the $16 billion he wants without "compounding the problems" caused by undercutting essential programs. He urged a $700 cap on the individual tax cuts scheduled for 1982, return of the business tax investment credit to 7 percent, and repeal of the "windfall oil profits loophole that was put into the recent tax changes."

The $700 tax cut cap would affect only those individuals with incomes over $42,000, Oswald pointed out, and assure that individuals with very high incomes would bear a fairer share of the burden of balancing the budget. He noted that under the "open-ended" cuts now scheduled, many very wealthy persons would get cuts of $2,000 and more.

OSWALD ALSO URGED that the makeup of the Federal Reserve Board, which sets the nation's basic monetary policy, be changed to make it more responsive to the agricultural, labor and "broad consumer interests of this country."

He said the current board is a "reflection of a group of bankers and persons who previously served in congressional or administration posts."

Such a body, he protested, ignores the vast majority of Americans, who are workers, farmers and consumers.

Washington Window

By Press Associates, Inc.

PRESIDENT REAGAN and the men around him keep repeating that the federal government has grown out of control and the country is in the greatest economic mess since the 1930s. They say the "mess" will disappear if federal regulations of business are scrapped and the federal tax burden cut.

If Reagan's economic theory turns out to be sound, a score of trade union and university economists will be as surprised as they are relieved. The group gathered for an economic policy seminar recently at the George Meany Center for Labor Studies in Silver Spring, Md. They came away convinced that the facts fail to support the President.

Here are some of the examples they cited of Reagan's assumptions that ignore the realities.

• **Reagan**—The federal government is growing out of control.

Reality—Federal employment and federal purchases of goods and services actually have been declining when measured against total wage and salary employment and the total of all goods and services produced in this country (GNP).

Federal employment was 4.19 percent of all wage and salary employment in 1960, but only 3.16 percent in 1980. Federal employment declined from 6.9 percent of total U.S. employment in 1955 to 4.1 percent in 1979. Between 1969 and 1979, the total number of federal employees did not increase at all.

Federal purchases were 10.60 percent of GNP in 1960, 9.64 percent in 1970, and only 8.77 percent in 1980.

• **Reagan**—The federal debt has been increasing dangerously.

Reality—The federal debt has increased much less than most other debt since 1950. In 1979, it was only three times higher than in 1950. The relative numbers for other forms of debt were: consumer installment, 14 times more; mortgage debt, 16 times higher; corporate debt, 13 times, and state and local government debt, 14 times more.

• **Reagan**—Government efficiency will be increased and government costs reduced if responsibility can be shifted from the federal to state and local governments.

Reality—The growth in government expenditures and employment has been mostly at the state and local levels. Between 1949 and 1979, federal government employment increased by 850,000 or 41 percent while state and local governments increased employment by 9.7 million or 400 percent.

Between 1958 and 1977, purchases of goods and services by the federal government increased from $53.9 billion to $143.9 billion or 167 percent. In the same period, state and local government expenditures increased from $44.3 billion to $270 billion or 500 percent.

PROF. RAY MARSHALL of the University of Texas, former Secretary of Labor, summed up the seminar's misgivings about the Reaganite faith in private industry as an economic cure-all:

"While the private market can be a marvel at promoting short-run efficiency, it cannot do many things. It cannot prevent recession and inflation or create the environment for relatively free trade and competition. Markets also have difficulty in protecting the environment, and the health and safety of workers, eliminating discrimination, promoting equal opportunities, fostering long-run basic research and innovation and ensuring national security."

When the George Meany Center seminar ended, the consensus was that America's future depends on a sensible division of responsibilities among government, the private market and mechanisms such as collective bargaining that promote cooperative problem-solving.



MILLIONS OF ORDINARY Americans are hurt while wealthy persons and corporations reap bigger breaks as the Administration subbornly holds to its unwise economic plan that has plunged the economy into an ever-deepening low, AFL-CIO Research Director Rudy Oswald, center, charged on Labor News Conference. He was questioned by Jerome Cahill, left, of the New York Daily News and Drew Von Bergen of United Press International. The AFL-CIO produced public affairs program is aired on Mutual radio.

Key House Rollcalls on Voting Rights

The House defeated all weakening amendments and passed a labor-supported bill extending enforcement provisions of the Voting Rights Act on Oct. 5, sending the measure to the Senate.

Column I *shows the 277-132 defeat of an amendment that would have abolished the present requirement that suits seeking to end court supervision of elections must be heard by a three-judge federal panel in the District of Columbia, rather than in the state affected. Right votes (R) were cast by 202 Democrats and 75 Republicans. Voting wrong (W) were 30 Democrats and 102 Republicans.*

Column II *is the 284-128 defeat of an amendment to drop the requirement that bilingual election material must be provided in counties with significant Hispanic or other language-minority groups. Voting right were 219 Democrats and 65 Republicans; 16 Democrats and 112 Republicans voted wrong.*

Column III *shows the 389-24 vote to pass the bill. On this, 229 Democrats and 160 Republicans were right; 7 Democrats and 17 Republicans were wrong.*

PR—paired right; PW—paired wrong; A—absent and not paired.

	I	II	III
ALABAMA			
1. Edwards (R)	W	W	R
2. Dickinson (R)	W	W	W
3. Nichols (D)	W	W	W
4. Bevill (D)	W	W	R
5. Flippo (D)	W	R	R
6. Smith (R)	W	W	R
7. Shelby (D)	W	W	W
ALASKA			
AL Young (R)	R	R	R
ARIZONA			
1. Rhodes (R)	W	R	R
2. Udall (D)	R	R	R
3. Stump (D)	W	W	W
4. Rudd (R)	W	W	W
ARKANSAS			
1. Alexander (D)	R	R	R
2. Bethune (R)	R	R	R
3. Hammerschmidt(R)	R	W	R
4. Anthony (D)	R	R	R
CALIFORNIA			
1. Chappie (R)	W	W	R
2. Clausen (R)	W	R	R
3. Matsui (D)	R	R	R
4. Fazio (D)	R	R	R
5. Burton, John (D)	A	A	A
6. Burton, Phillip (D)	R	R	R
7. Miller (D)	R	R	R
8. Dellums (D)	R	R	R
9. Stark (D)	R	R	R
10. Edwards (D)	R	R	R
11. Lantos (D)	R	R	R
12. McCloskey (R)	R	W	R
13. Mineta (D)	R	R	R
14. Shumway (R)	W	W	R
15. Coelho (D)	R	R	R
16. Panetta (D)	R	R	R
17. Pashayan (R)	A	A	A
18. Thomas (R)	PW	PW	A
19. Lagomarsino (R)	W	W	R
20. Goldwater (R)	W	R	R
21. Fiedler (R)	A	A	A
22. Moorhead (R)	W	W	R
23. Beilenson (D)	R	R	R
24. Waxman (D)	R	A	R
25. Roybal (D)	R	R	R
26. Rousselot (R)	W	W	W
27. Dornan (R)	R	R	R
28. Dixon (D)	R	R	R
29. Hawkins (D)	R	R	R
30. Danielson (D)	R	R	R
31. Dymally (D)	R	R	R
32. Anderson (D)	R	R	R
33. Grisham (R)	W	W	R
34. Lungren (R)	W	W	R
35. Dreier (R)	W	W	R
36. Brown (D)	R	R	R
37. Lewis (R)	A	R	R
38. Patterson (D)	R	R	R
39. Dannemeyer (R)	PW	PW	A
40. Badham (R)	W	W	R
41. Lowery (R)	W	W	R
42. Hunter (R)	R	W	R
43. Burgener (R)	W	W	R
COLORADO			
1. Schroeder (D)	R	R	R
2. Wirth (D)	R	R	R
3. Kogovsek (D)	R	R	R
4. Brown (R)	W	W	R
5. Kramer (R)	W	R	R
CONNECTICUT			
1. Vacancy			
2. Gejdenson (D)	R	R	R
3. DeNardis (R)	R	R	R
4. McKinney (R)	R	R	R
5. Ratchford (D)	R	R	R
6. Moffett (D)	PR	R	R
DELAWARE			
AL Evans (R)	W	W	R
FLORIDA			
1. Hutto (D)	R	R	R
2. Fuqua (D)	R	R	R
3. Bennett (D)	R	R	R
4. Chappell (D)	W	W	R
5. McCollum (R)	W	R	R
6. Young (R)	W	W	R
7. Gibbons (D)	R	R	R
8. Ireland (D)	R	R	R
9. Nelson (D)	R	W	R
10. Bafalis (R)	W	W	R
11. Mica (D)	R	R	R
12. Shaw (R)	W	W	R
13. Lehman (D)	R	A	A
14. Pepper (D)	A	R	R
15. Fascell (D)	R	R	R
GEORGIA			
1. Ginn (D)	R	R	R
2. Hatcher (D)	W	R	R
3. Brinkley (D)	W	R	W
4. Levitas (D)	W	R	R
5. Fowler (D)	R	R	R
6. Gingrich (R)	W	W	R
7. McDonald (D)	W	W	W
8. Evans (D)	W	R	R
9. Jenkins (D)	W	R	R
10. Barnard (D)	W	R	R
HAWAII			
1. Heftel (D)	R	R	R
2. Akaka (D)	R	R	R
IDAHO			
1. Craig (R)	W	W	R
2. Hansen (R)	W	W	W
ILLINOIS			
1. Washington (D)	R	R	R
2. Savage (D)	R	R	R
3. Russo (D)	R	R	R
4. Derwinski (R)	R	W	R
5. Fary (D)	R	R	R
6. Hyde (R)	W	R	R
7. Collins (D)	R	R	R
8. Rostenkowski (D)	R	R	R
9. Yates (D)	R	R	R
10. Porter (R)	R	R	R
11. Annunzio (D)	R	R	R
12. Crane, Philip (R)	PW	PW	A
13. McClory (R)	W	W	R
14. Erlenborn (R)	W	W	R
15. Corcoran (R)	R	R	R
16. Martin (R)	R	W	R
17. O'Brien (R)	W	R	R
18. Michel (R)	W	W	R
19. Railsback (R)	R	R	R
20. Findley (R)	R	W	R
21. Madigan (R)	W	W	R
22. Crane, Dan (R)	W	W	W
23. Price (D)	R	R	R
24. Simon (D)	R	R	R
INDIANA			
1. Benjamin (D)	R	R	R
2. Fithian (D)	R	R	R
3. Hiler (R)	R	W	R
4. Coats (R)	R	R	R
5. Hillis (R)	R	W	R
6. Evans (D)	R	R	R
7. Myers (R)	W	W	R
8. Deckard (R)	R	R	R
9. Hamilton (D)	R	R	R
10. Sharp (D)	R	R	R
11. Jacobs (D)	R	R	R
IOWA			
1. Leach (R)	R	R	R
2. Tauke (R)	R	R	R
3. Evans (R)	R	R	R
4. Smith (D)	R	R	R
5. Harkin (D)	R	R	R
6. Bedell (D)	R	R	R
KANSAS			
1. Roberts (R)	W	W	R
2. Jeffries (R)	W	W	R
3. Winn (R)	W	W	R
4. Glickman (D)	R	R	R
5. Whittaker (R)	W	W	R
KENTUCKY			
1. Hubbard (D)	A	W	R
2. Natcher (D)	R	R	R
3. Mazzoli (D)	R	R	R
4. Snyder (R)	W	W	R
5. Rogers (R)	W	W	R
6. Hopkins (R)	R	R	R
7. Perkins (D)	R	R	R
LOUISIANA			
1. Livingston (R)	W	R	R
2. Boggs (D)	R	R	R
3. Tauzin (D)	W	R	R
4. Roemer (D)	W	R	R
5. Huckaby (D)	W	R	R
6. Moore (R)	W	W	R
7. Breaux (D)	W	R	R
8. Long (D)	R	R	R
MAINE			
1. Emery (R)	R	R	R
2. Snowe (R)	R	R	R
MARYLAND			
1. Dyson (D)	R	R	R
2. Long (D)	R	R	R
3. Mikulski (D)	R	R	R
4. Holt (R)	R	R	R
5. Hoyer (D)	R	R	R
6. Byron (D)	R	R	R
7. Mitchell (D)	R	R	R
8. Barnes (D)	R	R	R
MASSACHUSETTS			
1. Conte (R)	R	R	R
2. Boland (D)	R	R	R
3. Early (D)	R	R	R
4. Frank (D)	R	R	R
5. Shannon (D)	R	R	R
6. Mavroules (D)	R	R	R
7. Markey (D)	R	R	R
8. O'Neill (D)			Speaker
9. Moakley (D)	R	R	R
10. Heckler (R)	R	R	R
11. Donnelly (D)	R	R	R
12. Studds (D)	R	R	R
MICHIGAN			
1. Conyers (D)	R	R	R
2. Pursell (R)	R	R	R
3. Wolpe (D)	R	R	R
4. Siljander (R)	W	A	R
5. Sawyer (R)	W	R	R
6. Dunn (R)	R	R	R
7. Kildee (D)	R	R	R
8. Traxler (D)	R	R	R
9. Vander Jagt (R)	W	A	A
10. Albosta (D)	R	R	R
11. Davis (R)	R	R	R
12. Bonior (D)	R	R	R
13. Crockett (D)	R	R	R
14. Hertel (D)	R	R	R
15. Ford (D)	R	R	R
16. Dingell (D)	PR	A	A
17. Brodhead (D)	R	R	R
18. Blanchard (D)	R	R	R
19. Broomfield (R)	R	W	R
MINNESOTA			
1. Erdahl (R)	R	W	R
2. Hagedorn (R)	W	W	R
3. Frenzel (R)	W	W	R
4. Vento (D)	R	R	R
5. Sabo (D)	R	R	R
6. Weber (R)	R	R	R
7. Stangeland (R)	W	W	R
8. Oberstar (D)	R	R	R
MISSISSIPPI			
1. Whitten (D)	W	R	R
2. Bowen (D)	W	R	R
3. Montgomery (D)	W	W	W
4. Dowdy (D)	R	R	R
5. Lott (R)	W	W	W
MISSOURI			
1. Clay (D)	R	R	R
2. Young (D)	R	R	R
3. Gephardt (D)	R	R	R
4. Skelton (D)	R	R	R
5. Bolling (D)	R	R	R
6. Coleman (R)	W	W	R
7. Taylor (R)	W	W	R
8. Bailey (R)	R	R	R
9. Volkmer (D)	R	R	R
10. Emerson (R)	W	W	R
MONTANA			
1. Williams (D)	R	R	R
2. Marlenee (R)	W	W	R
NEBRASKA			
1. Bereuter (R)	W	R	R
2. Daub (R)	R	W	R
3. Smith (R)	W	W	R
NEVADA			
AL Santini (D)	W	R	R
NEW HAMPSHIRE			
1. D'Amours (D)	R	R	R
2. Gregg (R)	R	W	R
NEW JERSEY			
1. Florio (D)	R	R	R
2. Hughes (D)	R	R	R
3. Howard (D)	R	R	R
4. Smith (R)	R	R	R
5. Fenwick (R)	R	R	R
6. Forsythe (R)	R	W	R
7. Roukema (R)	R	W	R
8. Roe (D)	R	R	R
9. Hollenbeck (R)	R	R	R
10. Rodino (D)	R	R	R
11. Minish (D)	R	R	R
12. Rinaldo (R)	R	R	R
13. Courter (R)	R	R	R
14. Guarini (D)	R	R	R
15. Dwyer (D)	R	R	R
NEW MEXICO			
1. Lujan (R)	R	R	R
2. Skeen (R)	W	W	R
NEW YORK			
1. Carney (R)	W	W	R
2. Downey (D)	R	R	R
3. Carman (R)	W	W	R
4. Lent (R)	R	W	R
5. McGrath (R)	R	W	R
6. LeBoutillier (R)	R	W	R
7. Addabbo (D)	R	R	R
8. Rosenthal (D)	R	R	R
9. Ferraro (D)	R	R	R
10. Biaggi (D)	R	R	R
11. Scheuer (D)	R	R	R
12. Chisholm (D)	R	R	R
13. Solarz (D)	R	R	R
14. Richmond (D)	R	R	R
15. Zeferetti (D)	R	R	R
16. Schumer (D)	R	R	R
17. Molinari (R)	W	W	R
18. Green (R)	R	R	R
19. Rangel (D)	R	R	R
20. Weiss (D)	R	R	R
21. Garcia (D)	R	R	R
22. Bingham (D)	R	R	R
23. Peyser (D)	A	A	A
24. Ottinger (D)	R	R	R
25. Fish (R)	R	R	R
26. Gilman (R)	R	R	R
27. McHugh (D)	R	R	R
28. Stratton (D)	R	R	R
29. Solomon (R)	W	W	A
30. Martin (R)	W	W	R
31. Mitchell (R)	R	W	R
32. Wortley (R)	R	R	R
33. Lee (R)	W	W	R
34. Horton (R)	PR	PR	A
35. Conable (R)	W	W	R
36. LaFalce (D)	R	R	R
37. Nowak (D)	R	R	R
38. Kemp (R)	R	R	R
39. Lundine (D)	R	R	R
NORTH CAROLINA			
1. Jones (D)	PR	PR	A
2. Fountain (D)	R	W	R
3. Whitley (D)	R	R	R
4. Andrews (D)	R	R	R
5. Neal (D)	R	R	R
6. Johnston (R)	W	W	W
7. Rose (D)	R	R	R
8. Hefner (D)	R	R	R
9. Martin (R)	W	W	R
10. Broyhill (R)	W	R	R
11. Hendon (R)	R	W	R
NORTH DAKOTA			
AL Dorgan (D)	R	R	R
OHIO			
1. Gradison (R)	R	R	R
2. Luken (D)	R	R	R
3. Hall (D)	R	R	R
4. Oxley (R)	W	W	R
5. Latta (R)	W	W	R
6. McEwen (R)	W	W	R
7. Brown (R)	R	A	A
8. Kindness (R)	W	W	R
9. Weber (R)	R	R	R
10. Miller (R)	W	W	R
11. Stanton (R)	R	W	R
12. Shamansky (D)	R	R	R
13. Pease (D)	R	R	R
14. Seiberling (D)	R	R	R
15. Wylie (R)	R	W	R
16. Regula (R)	R	W	R
17. Ashbrook (R)	A	A	A
18. Applegate (D)	W	W	R
19. Williams (R)	PR	PR	A
20. Oakar (D)	A	R	R
21. Stokes (D)	R	R	R
22. Eckart (D)	R	R	R
23. Mottl (D)	W	W	R
OKLAHOMA			
1. Jones (D)	R	R	R
2. Synar (D)	R	R	R
3. Watkins (D)	R	R	R
4. McCurdy (D)	R	R	R
5. Edwards (R)	W	W	R
6. English (D)	R	R	R
OREGON			
1. AuCoin (D)	R	R	R
2. Smith (R)	W	W	R
3. Wyden (D)	R	R	R
4. Weaver (D)	R	R	R
PENNSYLVANIA			
1. Foglietta (D)	R	R	R
2. Gray (D)	R	R	R
3. Smith (D)	R	R	R
4. Dougherty (R)	R	R	R
5. Schulze (R)	R	W	R
6. Yatron (D)	R	R	R
7. Edgar (D)	R	R	R
8. Coyne, James (R)	R	R	R
9. Shuster (R)	W	W	R
10. McDade (R)	R	R	R
11. Nelligan (R)	R	R	R
12. Murtha (D)	R	R	R
13. Coughlin (R)	R	R	R
14. Coyne, William (D)	R	R	R
15. Ritter (R)	R	W	R
16. Walker (R)	R	R	R
17. Ertel (D)	R	R	R
18. Walgren (D)	R	R	R
19. Goodling (R)	W	A	A
20. Gaydos (D)	R	R	R
21. Bailey (D)	R	R	R
22. Murphy (D)	R	R	R
23. Clinger (R)	W	R	R
24. Marks (R)	R	R	R
25. Atkinson (D)	R	R	R
RHODE ISLAND			
1. St Germain (D)	R	R	R
2. Schneider (R)	R	R	R
SOUTH CAROLINA			
1. Hartnett (R)	W	R	R
2. Spence (R)	W	W	R
3. Derrick (D)	R	R	R
4. Campbell (R)	W	R	R
5. Holland (D)	R	R	R
6. Napier (R)	W	R	R
SOUTH DAKOTA			
1. Daschle (D)	R	R	R
2. Roberts (R)	W	W	R
TENNESSEE			
1. Quillen (R)	W	W	R
2. Duncan (R)	R	W	R
3. Bouquard (D)	R	R	R
4. Gore (D)	R	R	R
5. Boner (D)	R	R	R
6. Beard (R)	A	A	A
7. Jones (D)	R	R	R
8. Ford (D)	R	R	R
TEXAS			
1. Hall, Sam (D)	W	R	R
2. Wilson (D)	R	R	R
3. Collins (R)	W	W	W
4. Hall, Ralph (D)	W	R	R
5. Mattox (D)	R	R	R
6. Gramm (D)	W	R	R
7. Archer (R)	W	W	W
8. Fields (R)	W	W	R
9. Brooks (D)	A	R	R
10. Pickle (D)	R	R	R
11. Leath (D)	W	R	R
12. Wright (D)	R	R	R
13. Hightower (D)	R	R	R
14. Patman (D)	W	W	R
15. de la Garza (D)	R	R	R
16. White (D)	R	R	R
17. Stenholm (D)	W	R	R
18. Leland (D)	R	R	R
19. Hance (D)	R	R	R
20. Gonzalez (D)	R	R	R
21. Loeffler (R)	W	R	R
22. Paul (R)	PW	A	A
23. Kazen (D)	R	R	R
24. Frost (D)	R	R	R
UTAH			
1. Hansen (R)	W	W	R
2. Marriott (R)	R	R	R
VERMONT			
AL Jeffords (R)	W	W	R
VIRGINIA			
1. Trible (R)	W	W	W
2. Whitehurst (R)	W	W	W
3. Bliley (R)	W	W	W
4. Daniel, Robert (R)	W	W	W
5. Daniel, Dan (D)	W	W	W
6. Butler (R)	W	W	W
7. Robinson (R)	W	W	W
8. Parris (R)	W	W	W
9. Wampler (R)	W	W	W
10. Wolf (R)	W	W	R
WASHINGTON			
1. Pritchard (R)	A	W	R
2. Swift (D)	R	R	R
3. Bonker (D)	A	A	A
4. Morrison (R)	W	W	R
5. Foley (D)	R	R	R
6. Dicks (D)	R	R	R
7. Lowry (D)	R	R	R
WEST VIRGINIA			
1. Mollohan (D)	R	W	R
2. Benedict (R)	PW	W	R
3. Staton (R)	W	W	R
4. Rahall (D)	R	R	R
WISCONSIN			
1. Aspin (D)	R	R	R
2. Kastenmeier (D)	R	W	R
3. Gunderson (R)	R	R	R
4. Zablocki (D)	R	R	R
5. Reuss (D)	R	R	R
6. Petri (R)	R	W	R
7. Obey (D)	R	R	R
8. Roth (R)	A	W	R
9. Sensenbrenner (R)	R	R	R
WYOMING			
AL Cheney (R)	W	W	R

Job Losses Mount

Building Trades Blast High-Interest Policies

(Continued from Page 1)

tories, and the modernizing of public facilities.

"INVESTMENTS that yield jobs and improve the nation's productive base are so important to the economy that they should not have to compete against speculators and corporate takeover bids for the limited amount of credit available," he said.

"Until interest rates come down to more sane levels, we will never know whether the Reagan tax program can be translated from theory into reality.

"The most valuable contribution this convention can make to improving the health of the economy is to speak clearly and forcefully to the issue of reducing interest rates," Georgine told the delegates.

Both Georgine and Kirkland warned that attempts to repeal and weaken the Davis-Bacon prevailing wage law could put added burdens on construction workers.

"THE ATTACKS on unions, on labor protections, on wages and hours are little more than an attempt to legislate the wage-busting conditions that led to the Great Depression," Georgine warned. Kirkland reinforced that point, declaring.

"In the name of fighting inflation, the enemies of Davis-Bacon tell us the lowest bidder on any government construction project should be free to auction off the jobs to the lowest bidder among workers" —the ones with the lowest skills and the most desperate workers in a depressed industry, he said.

"The argument that this would boost productivity and open new opportunities for deserving contractors is cynical nonsense.

"It would put conscientious, fair-minded contractors out of business. It would put government construction in the hands of scab-herders and short-cut artists. It would injure local businesses, local workers and local communities by reducing earnings to the lowest common denominator."

KIRKLAND CHARGED that the Administration is making other attempts to fight inflation at the expense of workers. He cited efforts to repeal overtime wage protections, remove minimum wage guarantees for young workers and lift restrictions on industrial homework.

Kirkland and Georgine also warned delegates of similar efforts to undermine job safety and health standards and to impose Hobbs Act penalties on strikers.

OSHA is vital to the interests of building trades workers, Georgine declared. To those who would undermine it, he warned, "keep your hands off OSHA."

GEORGINE ALSO stressed that the nation's energy needs cannot be ignored, and he called for wider use of alternative fuels and the development of synthetic energy sources.

"Similarly, America must not make the mistake of halting the development of safe nuclear power without having alternative sources on line and ready to fill the needs for energy," he declared.

It would be sheer folly to endanger the future health of the economy by ignoring any source of energy, he said.

Other speakers addressing the delegates on opening day of the convention included Labor Sec. Raymond J. Donovan, OSHA Director Thorne G. Auchter, and Robert Bonitati, special assistant to Reagan. All three speakers defended the Administration's policies, contending that their aims were the same as those of the labor movement although the Administration's approach may be different.

DONOVAN promised the delegates that the President would not allow the Davis-Bacon Act to be repealed.

He said the changes the Labor Dept. has proposed are intended to make the program more workable, not to destroy labor standards.

Donovan insisted that the new regulations would be less "burdensome."



WILLIAM L. DAWSON AWARD of the Congressional Black Caucus is presented to Associate Director Robert McGlotten of the AFL-CIO Dept. of Legislation by Rep. Parren J. Mitchell (D-Md.). The award cited McGlotten's contributions to progressive legislation benefitting minorities.

Tennessee Labor Approves 10-Cent Per Capita Rise

Nashville, Tenn.—The Tennessee AFL-CIO convention approved a 10-cent increase in per capita payments and drafted a legislative agenda focused on winning full collective bargaining rights for public employees and improved administration of the state workers' compensation program.

The 328 convention delegates unanimously endorsed the re-election of Sen. James R. Sasser, who has been targeted for defeat by right-wing political action groups. Sasser, a Democrat, will be seeking a second term in 1982. He has compiled a 71 percent "right" COPE voting record in the Senate.

THE PER CAPITA increase, effective Oct. 1, raises monthly payments to 35 cents.

Delegates called on the state legislature to explore alternatives to the current court-administered system of determining workers' compensation benefits and urged legislation mandating all employers to make payroll deductions available to cover union dues.

Turning to federal legislative issues, the convention called on Tennessee's congressional delegation to reject all attempts to gut the Davis-Bacon prevailing wage law and urged adoption of measures to halt the export of U.S. jobs.

STATE AFL-CIO President James G. Neeley reported that membership in the state labor council had increased 17,000 over the past two years to exceed the 100,000 mark. Neeley was elected to a new two-year term.

Delegates paid a special tribute to Lee Case, who retired as secretary-treasurer after 18 years. In 44 years of service to labor, Case has been president, financial secretary and business agent of Plumbers & Pipe Fitters Local 43 in Chattanooga. He also served a stint as Tennessee's labor commissioner.

Eddie Bryan, administrative assistant to Neeley, was elected to succeed Case. Bryan is a member of the Communications Workers.

THE CONVENTION also elected First Vice President H. T. Powell and Second Vice President Ross Hudson and 19 vice presidents to new terms.

Speakers at the three-day convention included Sasser, Democratic Representatives Marilyn Bouquard, Albert Gore, Jr., William H. Boner, Harold Ford and Ed Jones, Nashville Mayor Richard Fulton and President Norman Hill of the A. Philip Randolph Institute.

Oregon State Labor Elects Fletcher, Baugh to Top Posts

Springfield, Ore.—Irvin H. Fletcher of the Teachers is the new president of the Oregon AFL-CIO and Robert C. Baugh, also of the Teachers, is the new secretary-treasurer. Nellie Fox of the Food & Commercial Workers continues as director of legislation and political education.

Fletcher unseated Robert G. Kennedy of the Machinists for the state federation's executive position in elections at the Oregon AFL-CIO's 25th annual convention. Kennedy had held office since 1975.

Baugh, at 32, is the youngest of the three full-time officers in the State AFL-CIO's history. He narrowly defeated Glenn H. (Pat) Randall for the administrative post. Randall, of the Carpenters, had served since 1967.

FOX RETAINED the political directorship, which she has filled since 1975, turning back a challenge from Lloyd B. Knudsen of the IBEW, who previously held the job from 1969-75.

Fletcher, 49, had been executive secretary-treasurer of the Lane County AFL-CIO in nearby Eugene for 10 years and also worked as director of an apprenticeship information center.

Nine persons were re-elected to federation executive board posts along with 10 new members. Only two races were contested.

Delegates gave standing ovations to the new and former officers and board members in a demonstration of solidarity as the outgoing leaders pledged to work with their successors.

EARLIER IN the five-day convention, delegates recognized the need for stepped-up political action by unanimously enacting a special 5-cent per capita tax increase earmarked for assisting COPE-endorsed candidates for statewide and legislative district races. The special levy will run for two years until Oct. 1, 1983. Delegates also voted to continue a special one-cent per capita tax for organizing purposes.

The importance of political action by labor to offset the threats posed by the Reagan Administration and its right-wing allies was stressed by major speakers, including Representatives Les AuCoin and James Weaver, and State Sen. Ted Kulongoski, all Democrats; President Keith Johnson of the Woodworkers; Vice President Stanley Jensen of the Machinists, and Walter Gray, regional COPE director.

Johnson noted that Oregon's official unemployment rate had just hit 10 percent, third highest in the nation, but said the actual jobless figure is closer to 20 percent. The state's bellwether timber industry has been especially hard hit along with construction, and there have been plant shutdowns and layoffs in steel, textiles, fish processing and other industries. It is estimated that unemployment in the building trades is at 40 percent and that 49 percent of the workers in the state's timber industry are jobless or working reduced hours.

GOV. VICTOR Atiyeh (R) also addressed the convention urging labor to work with management and government in addressing the state's economic problems.

The 445 delegates, their ranks swelled by nearly 300 fraternal delegates and guests, acted on 90 resolutions covering a broad range of subjects. Among the goals pressed by the convention were improvements in the state workers' compensation system, enactment of plant closure legislation, equal pay for work of comparable worth, deepening of the Columbia River channel and other public works projects, lowering of interest rates, federal funding for Public Health Service programs for maritime workers, strengthening of the merchant marine, and establishment of a state ethics commission for the media.

Sen. Mark Hatfield (R-Ore.) was commended for his leadership in clearing through the Senate Appropriations Committee a postal subsidy bill to continue the present rate system for second-class nonprofit publications.



NEW PRESIDENT of the Rubber Workers, Milan Stone, left, is congratulated at the URW Convention in Bal Harbour, Fla., by outgoing President Peter Bommarito, who is retiring. Stone, 54, has been a URW vice president since 1977.

U.S. Economy Sinks Deeper Into Recession

(Continued from Page 1)

that define a recession translate into "lost jobs and lost output of goods and services."

Despite the Reagan rhetoric of increasing "supply," he noted, its policy has been to reduce the supply of goods and services.

WHILE A FINAL, technical judgment still is to be given by the National Bureau of Economic Research, a private organization, the U.S. economy appears to have entered its latest recession in July or August. That is when industrial production started to fall off, initial claims for unemployment benefits jumped and new factory orders began to dwindle.

A recession is usually defined as two consecutive quarters of decline in real GNP. In the second quarter, real output fell at an annual rate of 1.6 percent after rising abnormally at an 8.6 percent rate in the first three months of the year.

Even before the government announced the latest drop in real output, President Reagan conceded that the nation was indeed in a recession. Responding to White House reporters' questions about the unusually sharp decline in September industrial production, he said:

"I THINK this is a light, and I hope short, recession. Yes, I think everyone agrees on this."

Reagan's remarks were the first acknowledgement from the Administration that the economy was in a recession, despite an abundance of signs that had pointed in that direction over the summer.

For months, the housing and automobile industries had been in a state of depression as prospective buyers held back under the pressure of prohibitive interest rates. As the September report on industrial production underscored, however, the weakness in the economy had spread.

THE FEDERAL Reserve Board said that industry output last month fell eight-tenths of 1 percent, the second monthly drop in a row and the largest in 16 months. A wide range of industries reported production declines, and these cutbacks were leading to layoffs. Industrial production constitutes about one-third of the nation's gross national product.

In the past two months, the unemployment rate has jumped half a percentage point to 7.5 percent as many adult men and women lost their jobs. Nearly 8 million Americans were out of work in September, and their number is growing daily.

Joblessness is on the upswing at U.S. Steel and Bethlehem Steel because of "soft" orders and high interest rates. Caterpillar Tractor recently laid off 2,300 workers indefinitely. Lumber mills in the Pacific Northwest reported joblessness of 20 to 30 percent. Westinghouse plans to lay off 1,300 at its Fairmont, W. Va., lamp plant.

Jerry L. Jordan, a member of the President's Council of Economic Advisers responsible for forecasting, said he expects the unemployment rate to climb above the 8 percent mark this winter and average 8.1 or 8.2 percent in the first quarter of 1982.

10/24/81

Correspondence about address corrections should be sent with attached mailing label to: Subscriptions, Room 209, 815 16th Street, N.W., Washington, D.C. 20006.



THE COST OF TRAINING replacements for the 11,500 air traffic controllers fired for walking off their jobs in August will be about $1.4 billion, far more than the $100 million estimated by the Reagan Administration, Executive Director John F. Leyden of the AFL-CIO Public Employee Dept. told a House committee. He urged the Administration to resume negotiations with the Professional Air Traffic Controllers Organization. Leyden, left, was accompanied by Steven Pruitt, PED legislative affairs coordinator.

Employer Penalties Asked To Halt Illegal Immigration

Penalties against employers are needed to stem the tidal wave of illegal immigration that has depressed wages and added to unemployment, union witnesses testified at House hearings.

Ladies' Garment Workers Executive Vice President Frederick R. Siems blamed the return of sweatshops in the apparel industry on the absence of any penalty for employers who seek out and hire undocumented workers.

ALONG WITH employer penalties, Siems urged a generous amnesty policy for undocumented workers already in the United States and a tamper-proof identification card.

The need for such an identification card, linked to a worker's social security number, was stressed also in testimony by the AFL-CIO Food & Beverage Trades Dept.

Peter Allstrom, the department's research director, told the House committee that restaurants are the largest single employer of illegal aliens, who are preferred over U.S. residents because "they work hard and scared," often for substandard wages. He cited studies that found wages of illegal aliens averaging 40 percent below that of legal workers and repeated instances of unpaid overtime.

ALLSTROM ALSO testified at companion hearings being held by a Senate Judiciary subcommittee on the Administration's so-called "guest worker" proposal to bring up to 50,000 Mexican nationals into the United States in each of two years for stays up to 12 months.

The Reagan Administration seems to be abandoning its "marketplace" philosophy by advocating importation of labor to relieve supposed shortages of workers, Allstrom suggested. Without government action, he said, wages and working conditions would be improved in order to attract the needed workers.

HE REMINDED the panel of the abuses of the bracero program with Mexico, which Congress ended in 1964, and the social tensions generated by the guest worker programs in Europe.

At the House subcommittee hearings, Siems pointed out that the ILGWU's membership is made up largely of women, minorities and recent immigrants — groups whose hard-won gains are most vulnerable to the unfair competition of sweatshop operators who exploit undocumented workers in fear of deportation if they complain.

GOP Moderates Balk At New Round of Cuts

(Continued from Page 1)

The voting rights issue appeared to put the President at odds with the majority of House Republicans who joined in the 389-24 passage of the bill. **(Rollcall, Page 6)**

At a meeting with newspaper editors, Reagan commented that the House "has been pretty extreme in what it's done" and expressed the hope that the Senate will be more "reasonable."

His comment was later linked by a White House aide to a section of the House bill that makes clear that an election law which has the effect of discriminating against a racial minority is illegal even if the federal government can't prove that the intent of the law was to discriminate.

A Supreme Court decision last year appeared to impose an obligation to show intent to discriminate, and civil rights groups consider it essential to tighten the law.

Meanwhile the House-passed bill has been placed on the Senate calendar—a safeguard against the risk that it would be bottled up in a hostile Judiciary Committee.

Controllers Set Appeal on Union Rights

(Continued from Page 1)

ufacturers and suppliers," Poli noted. "While almost everyone has an opinion as to who is at fault for the controllers' strike, surely these employees who have lost their jobs are blameless."

The impact on the airline industry and the general economy has been staggering, Poli said, adding that the amount of money that the Administration has spent since Aug. 3 in its efforts to rebuild the nation's air traffic control system from the ground up "far outweighs any contract proposal ever made by this union."

Other witnesses reinforced Poli's observations. They told the committee, chaired by Rep. William D. Ford (D-Mich.), that machinists, flight attendants, and workers in related businesses are losing their jobs because airlines have reduced operations to cope with the cutback in the air traffic control system.

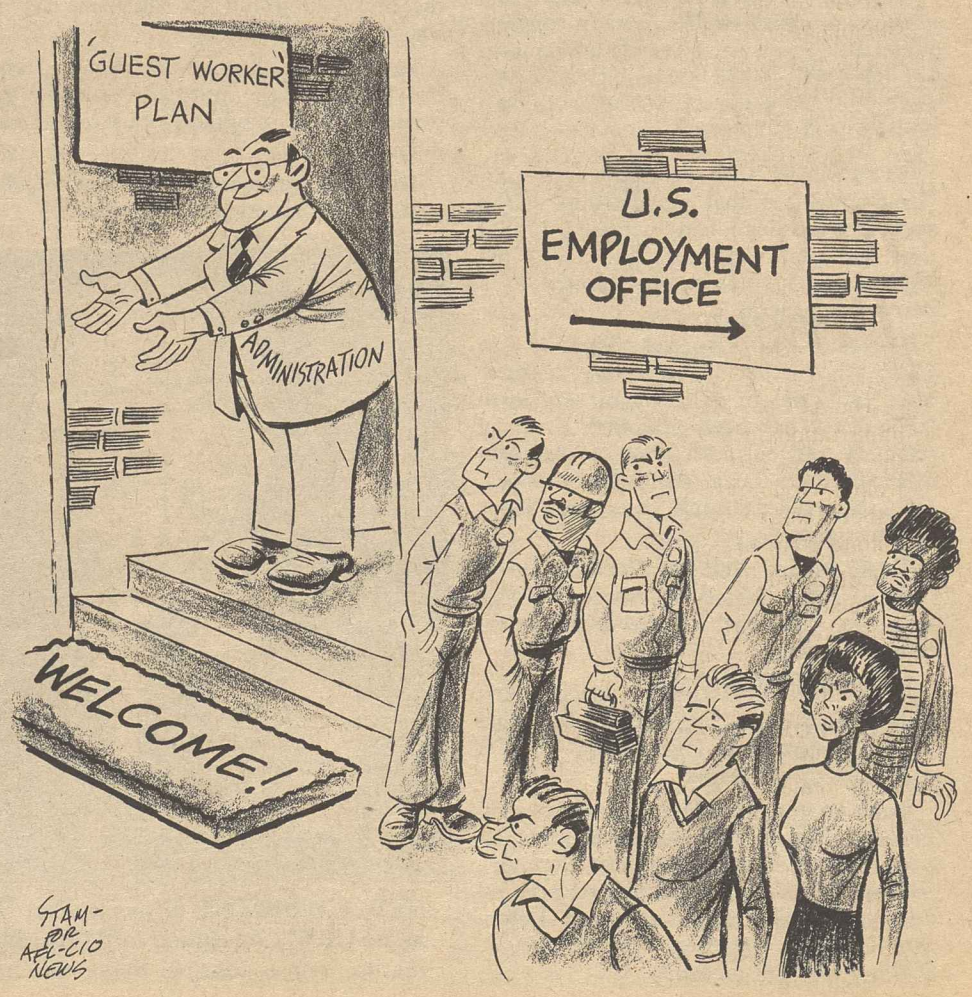
JOHN F. PETERPAUL, general vice president of the Machinists, said about 3,200 IAM members have been laid off as a direct result of the strike and that as many as 50 percent of the union's 88,000 airline industry members could be laid off if flight schedules at major airports are reduced when the Federal Aviation Administration revises its flight schedules in December.

"Fewer flights generally result in fewer jobs for our members in the manufacture, construction, servicing, and staffing of aircraft," said Peterpaul. "The Administration has waged an all-out war and has won the war. It should now win the peace with reason and tolerance."

Executive Director John F. Leyden of the AFL-CIO Public Employee Dept. said the current aviation service disruption could well be "the most costly labor-management impasse in recent labor history," and he called on the Administration to reconsider its position on rehiring the controllers.

"A MID-COURSE correction by the Administration will not be perceived as weakness but as a sign of strength and compassion," said Leyden, the immediate past president of PATCO.

Meanwhile, the FAA announced plans to scale back already curtailed air traffic at 20 of the nation's major airports starting Dec. 1. The agency said it will reduce airline activity nationwide to about 79 percent of the operating level before the strike. It claims that airline activity now is at about 84 percent of prestrike flight levels.



CPI Revision Branded Political

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Senate Vote Clears Sale of Radar Planes

By David L. Perlman

President Reagan persuaded a 52-48 majority of the Senate to allow the sale of sophisticated AWACS radar planes to Saudi Arabia despite concerns that it will tilt the military balance in the Middle East.

The Senate vote cancelled out the 301-111 resolution of disapproval adopted by the House two weeks earlier. Both the House and Senate would have had to vote against the arms sale in order to block it.

THE AFL-CIO Executive Council had urged Congress to reject the agreement to sell five highly secret Airborne Warning and Control Systems aircraft to the Saudis. The council termed the sale irresponsible and a threat to world peace.

There were strong signs that Congress shared labor's concerns. At the time of the one-sided House vote disapproving the sale, a majority of senators were on record in opposition to putting America's most sensitive and sophisticated technology in the hands of a feudal power that has called for Israel's destruction.

But an intensive personal lobbying effort by Reagan switched enough votes to change the outcome. The $8.5 billion sale to the oil-rich Saudis includes missiles and fuel tanks to increase the range and firepower of 60 F-15 fighter planes Saudi Arabia is buying from the United States.

The AFL-CIO Executive Council noted that when the sale of the F-15 fighters was consummated three years ago, Congress was assured that the planes would not carry the offensive armaments and capabilities that are now being provided.

In the domestic area, the President lost a round in the Senate despite a Republican majority.

The test came on a multi-billion-dollar appropriations bill for the Interior Dept. that took on significance because it was

(Continued on Page 2)



HOUSTON ORGANIZING Project, announced at this press conference, will seek to build union membership in the fast-growing area through the coordinated efforts of the AFL-CIO, 30 international unions and the city's labor movement. From left, are Director Alan Kistler of the AFL-CIO Dept. of Organization & Field Services, President Harry Hubbard of the Texas AFL-CIO, Sec.-Treas. Don A. Horn of the Harris County AFL-CIO, Project Coordinator Robert Comeaux, and President Maynard White of the county labor federation.

Coordinated Project

30 Unions Pool Forces For Houston Organizing

Houston — The Houston Organizing Project was publicly launched here by the AFL-CIO, 30 international unions and the city's labor movement to build trade unionism in the nation's fastest-growing and, now, fourth-largest city.

Alan Kistler, director of the AFL-CIO Dept. of Organization & Field Services, told a gathering of nearly 200 Houston and international union representatives that with the city central body providing the spark, unions in the city have pooled their resources and drawn on those of the entire labor movement to press their determination to match the city's growth.

THE PROJECT, modeled to some extent on a successful organizing campaign begun 20 years ago in Los Angeles, commits organizers from most of the 30 international unions involved, along with AFL-CIO field staff and project staff to strengthen the organizing efforts of Houston's local unions.

The drive confronts directly the challenges of Sunbelt economics and the burgeoning use of union-busting labor management "consultants" to stifle union membership in this "right to work" state.

"Labor has much to face down the road," said Service Employees Sec.-Treas. Richard Cordtz at the kickoff. "Unions must reach out to millions. . . . But the real challenge is organizing in the South. I feel certain this organizing program will be a success."

STEELWORKERS District Director Edward Ball, speaking on behalf of USWA President Lloyd McBride, stressed that organizing "is the lifeblood of the labor movement," vital to build its strength and effectiveness in serving the needs of working people.

"Sometimes we just pay lip service to the principle of 'in unity there is strength'," Ball observed, "but through the efforts of this organizing project, we are clearly working together."

The project has the strong support of the Harris County AFL-CIO Council and the Houston Gulf Coast Building & Construction Trades Council.

The Houston project offers the local

(Continued on Page 7)

Rehiring of Air Controllers Pressed to End 'Vendetta'

The AFL-CIO called on the Reagan Administration to end its "vendetta" against the striking Professional Air Traffic Controllers Organization now that the Federal Labor Relations Authority has revoked the union's right to represent its members.

Continued refusal to rehire the controllers "would not be justice but revenge," Federation President Lane Kirkland said in a statement following the federal panel's decertification announcement.

DEPLORING THE 2-1 decision, Kirkland said that "FLRA's action does, at least, remove the last semblance of an excuse" for the government's refusal to address the real question still at stake, namely, how to restore the air traffic system to full operation promptly while providing controllers with fair working conditions.

Within hours of the FLRA's Oct. 22 decertification order, a federal appeals court issued a temporary stay that was subsequently discontinued as "unwarranted." The court, which criticized the government's presentation of reasons for going ahead with the decertification, gave the union 10 days to file papers appealing the FLRA decision.

The agency's decertification decision marks the first time it has stripped a union of its status as legal representative of a group of federal workers. The FLRA, created three years ago as part of the Civil Service Reform Act, functions in the federal sector much as the National Labor Relations Board in the private sector.

IN VOTING against the decision to decertify, FLRA Chairman Ronald W. Haughton agreed with the majority that the strike constituted an unfair labor practice under federal law, but said the record was insufficient to determine a remedy.

(Continued on Page 6)

Kirkland Hits Shift to New 'Yardstick'

By James M. Shevis

The Labor Dept.'s planned revision of the housing cost component of the consumer price index is a political expedient that undercuts the nation's most important measure of inflation, the AFL-CIO charged.

"Since the Administration's anti-inflation program is clearly not working," Federation President Lane Kirkland said in a statement, "the Administration is seeking a new solution—change the method of computing the consumer price index. In other words, if you don't like the measurements, invent a new yardstick. . . .

"THE AFL-CIO will continue to fight for an effective, comprehensive anti-inflation program, without regard to the Administration's tinkering with the CPI," Kirkland declared.

The planned change in the computation of home ownership costs in the CPI would occur in two stages, the first in January 1983 and the second in January 1985, and could eventually reduce social security and wage and benefit increases for millions of workers and retirees. Existing contracts are not affected.

The reason for the two-stage revamping of the housing component is that there are two CPIs—the consumer price index for all urban consumers (CPI-U), which covers about 80 percent of the population, and the consumer price index for urban wage earners and clerical workers (CPI-W), which covers about half the population covered by CPI-U. The indexes are issued monthly by the Bureau of Labor Statistics, which has authority to define how they are calculated.

BLS COMMISSIONER Janet L. Norwood said the CPI-U will be changed with publication of price data for January 1983 and the CPI-W with data for January 1985. The latter is the index widely used for cost-of-living adjustments under thousands of labor contracts. It is also used in formulas for COL adjustments in a number of government programs, including social security, civil service and military pensions, and food stamps.

The BLS had planned to revise the index by 1985 or 1986. "However," Norwood told a news conference, "a number of things which have occurred during the

(Continued on Page 3)

'Real' Earnings Of U.S. Workers Decline Sharply

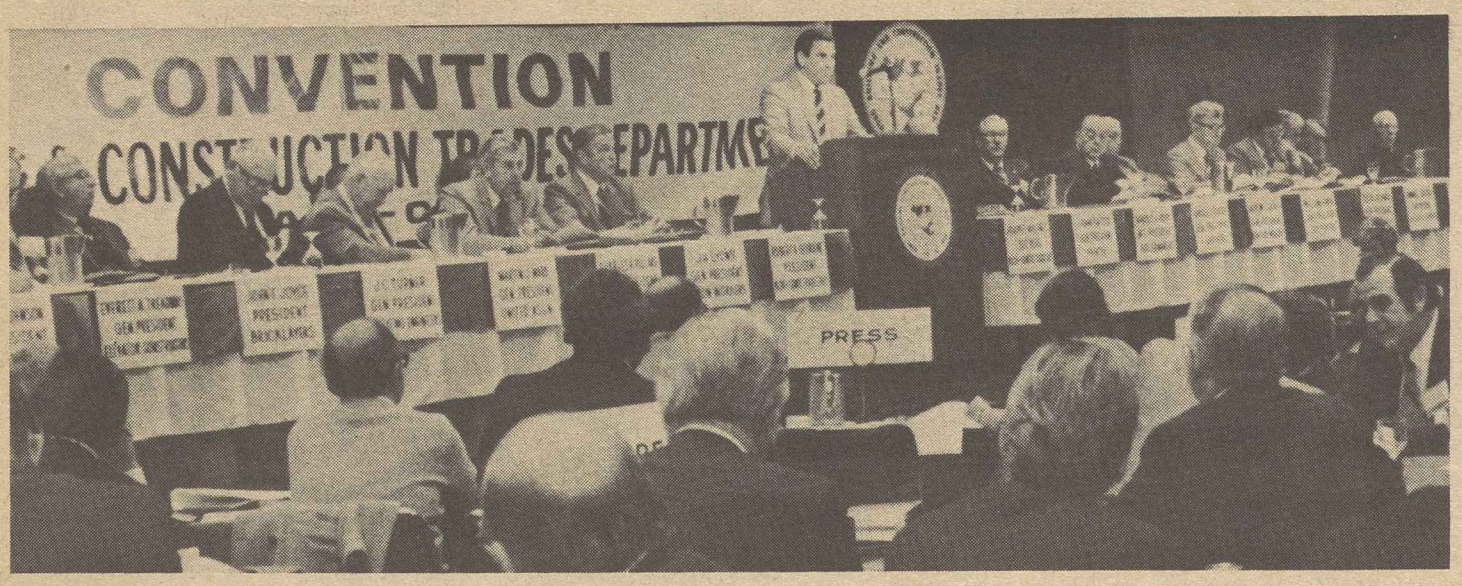
Another sharp rise in consumer prices—1.1 percent—coupled with a drop in hours worked, reduced the typical American worker's "real" spendable earnings 1.9 percent in September, the largest one-month decline in almost two and a half years.

Spendable earnings—what's left after taxes and inflation are stripped away—came to $221.05 a week for a married worker who had three dependents and earned the average wage. The figure, which is $2.20 less than the August level, is expressed in current dollars.

IN "CONSTANT DOLLARS," keyed to 1977 buying power, however, the same worker's real spendable earnings last month averaged $143.91 a week—$2.80 less than in August and $6.83 below the year-earlier level. Over the year, real spendable earnings were down 4.4 percent.

The last time workers' purchasing power declined so precipitously was in April 1979, when the drop was 2.2 percent. The Bureau of Labor Statistics, which reported the latest figures, said the steep September decline in real spendable earnings resulted

(Continued on Page 3)



ROLLING BACK excessive interest rates and repelling attacks on the Davis-Bacon prevailing wage law are priority issues for the Building & Construction Trades Dept., President Robert A. Georgine told convention delegates.

Building Trades Key Per Capita Hike To Legislative, Organizing Campaigns

By John R. Oravec

Atlantic City, N.J.—The Building & Construction Trades Dept.'s campaigns to preserve worker protections and expand organizing activities were reinforced by convention delegates with the approval of a 5-cent increase in per capita tax.

The convention expressed unanimous agreement on the need to finance efforts to combat attacks on the Davis-Bacon prevailing wage safeguards, repel an anti-union drive in Congress to impose Hobbs Act penalties in picket line disturbances, and improve the department's services to affiliates and BCTD councils.

THE INCREASE in the per capita tax, effective next Jan. 1, will raise monthly payments by affiliates to 21 cents per member.

Stressing the need to intensify political action, the 270 delegates also called on affiliates to establish check-off programs for contributions to meet the challenge of well-funded corporate and right-wing political machines.

"Anti-labor forces have been working steadily in Congress and in the states," the political action resolution noted, "targeting Davis-Bacon, state prevailing wage laws, health and safety protections, and other hard-won rights and benefits of working Americans for weakening or repeal."

The convention pledged an all-out fight against efforts to repeal Davis-Bacon, as well as "tampering" by the Reagan White House with provisions of the existing law.

It noted that recent proposals by the Labor Dept. to alter Davis-Bacon regulations "would have the effect of lowering wage rates on federal projects, permitting many workers to be paid substandard wages under the fiction that they are merely 'helpers,' and weaken the mechanism for detecting violations and enforcing the law."

IN HIS REPORT to the convention, BCTD President Robert A. Georgine observed that "the right wing has taken control of both the White House and the Senate, making it extremely difficult to pass pro-worker legislation and defend past gains. Therefore, it is no surprise that the Davis-Bacon Act is now encountering the most severe attack in its 50-year history."

Georgine charged that the Administration's "misguided" economic policies have caused interest rates to soar, depressing the construction industry and triggering a new surge in unemployment among construction workers. He said the nation's entire economy is feeling the impact.

The convention called for immediate action by the Administration, Congress and the Federal Reserve Board to lower interest rates "to levels which will support a healthy construction industry and a healthy economy."

IT URGED Congress to adopt reforms that would assure the availability of adequate capital at reasonable interest rates to finance investments in new industrial capacity and housing by imposing credit controls on excessive speculation and corporate takeovers; restricting investment abroad, and expanding membership on the Federal Reserve Board to include representation of labor, industry, agriculture and consumers.

To alleviate the housing shortage that is driving up home prices and rents, delegates urged government action to ease tight-money policies and establish programs to expand the supply of low-income and middle-income housing. They also cited the need to encourage union pension fund investments in government-guaranteed mortgages and discourage conversion of rental housing to condominiums.

Other key resolutions adopted at the two-day convention call for:

- Congressional action on legislation to ease the impact of sudden plant closings on workers and communities.
- Federal legislation giving construction workers full rights to picket struck employers at construction sites.
- Support for continued development of nuclear power plants and upgrading safety margins.
- Wider participation by unions in a coordinating committee promoting multi-employer pension plans.

Speakers on the closing day of the convention included Sen. Edward M. Kennedy (D-Mass.), who pledged to help lead the fight in the Senate against the repeal of Davis-Bacon and other anti-worker measures; Rep. James J. Florio (D-N.J.), the Democratic candidate for governor of New Jersey; President William H. Wynn of the Food & Commercial Workers, and President Norman Hill of the A. Philip Randolph Institute. Earlier speakers included AFL-CIO President Lane Kirkland and President Howard D. Samuel of the Industrial Union Dept.

Al Zack Dies, AFL-CIO Spokesman for 25 Years

Albert J. Zack, the official spokesman of the AFL-CIO for nearly a quarter century, died of a heart attack Oct. 29 at his Sarasota, Fla., home.

Zack, 63, retired as director of public relations for the AFL-CIO in January 1980, very shortly after George Meany stepped down as AFL-CIO president. Zack and his wife Jane had lived in Florida and Washington since his retirement.

IN A LETTER to his widow, AFL-CIO President Lane Kirkland and Sec.-Treas. Thomas R. Donahue expressed the shock and sadness felt by federation officers and staff members on learning of Zack's death.

"Al's extraordinary powers, personal and professional, were a tremendous asset to the labor movement, they said, noting that since his retirement, the AFL-CIO had continued to draw on his experience and judgment in a wide range of matters.

"The high standards of truth and accuracy that made Al a news source of unquestioned reliability to generations of labor reporters brought honor to the federation he served, as well as to himself," Kirkland and Donahue said.

BEFORE HIS appointment as AFL-CIO public relations director in 1957, Zack served as assistant director and, prior to the 1955 merger, was assistant publicity director of the CIO. From 1947 to 1952, he was publicity director of the Ohio CIO Council and for much of that time served as executive secretary of the Columbus CIO Council.

A long-time member of the Newspaper Guild, Zack played a major role in one of the longest Guild strikes on record, the 16-month strike against the Springfield (Mass.) newspapers in 1946 and 1947. At the time of the strike, he was news editor of the Springfield Daily News.

Earlier he had been a reporter and copy desk editor on New England dailies and had radio news experience as well. He was a native of Holyoke, Mass.

Besides his wife of 41 years, the former Jane Nesworthy, Zack is survived by two children and five grandchildren. His children are Linda Tarr-Whelan, director of government relations for the National Education Association, and Allen Y. Zack, a former AFL-CIO public relations staff member and now a senior associate with the Kamber Group, a Washington, D.C., public relations firm. Also surviving are a brother, Eugene C. Zack of Herndon, Va., and three sisters, Ruth Fuller of Norwell, Mass., Madeline Noll of West Haven, Conn., and Carol Bouchard of Enfield, Conn.

Funeral services in Florida were private. A memorial service will be held at 11 a.m., Monday, Nov. 2, at the George Meany Center for Labor Studies, 10000 New Hampshire Ave., Silver Spring, Md.

The family asks that expressions of sympathy be in the form of contributions to Save the Children, 48 Wilton Road, Westport, Conn. 06880, or the Community for Creative Non-Violence, 1345 Euclid Street, N.W., Washington, D.C. 20009.



ALBERT J. ZACK

Hearing Set On Hobbs Act Amendment

A Senate Judiciary subcommittee has scheduled a Nov. 4 hearing on a bill that seeks to transform a 35-year-old federal anti-racketeering law into a bludgeon against union members engaged in lawful strikes for legitimate goals.

The Hobbs Act amendment is sponsored by Senate Judiciary Committee Chairman Strom Thurmond (R-S.C.) and 15 other right-wing Republicans. The push for its enactment comes chiefly from the National Right to Work Committee, which has long sought to link unions to acts of violence.

AT THE SENATE hearings, the anti-union "work" committee will argue the case for the Thurmond bill, and AFL-CIO President Lane Kirkland is scheduled to testify in opposition.

At issue is whether Congress will rewrite the Hobbs Act in order to nullify a 1973 Supreme Court decision.

In that landmark case, the Supreme Court found that Congress had intended in the 1946 law to deal with extortion in the guise of union action, not with misconduct in pursuit of lawful ends. Thus, a racketeer who threatened an employer with a strike or picket line if he didn't pay protection money could be prosecuted under the Hobbs Act.

But the Supreme Court majority ruled that the anti-racketeering law, with its potential penalty of 20 years in prison and heavy fines, couldn't be used to prosecute "the worker who threw a punch on a picket line or the striker who deflated the tires on his employer's trucks."

THERE ARE laws—local, state and federal—to deal with specific offenses, the court noted. But it found no evidence in the language or legislative history of the Hobbs Act to support the conclusion "that Congress intended to put the federal government in the business of policing the orderly conduct of strikes."

That's what Thurmond and his co-sponsors are trying to change.

Senate Approves Radar Plane Sale To Saudi Arabia

(Continued from Page 1)

the first funding bill to reach the Senate floor since Reagan called for a new 12 percent budget slash on top of the heavy cuts Congress had already adopted.

The Senate would have had to slash $1 billion from the Interior Dept. bill to meet the Administration's goals, but it backed its Appropriation Committee's decision to trim only $160 million.

Sen. Mack Mattingly (R-Ga.) sought to cut back the funding by another $380 million—still well below the White House demands. But the Senate rejected his amendment by a 61-35 vote.

Meanwhile, the Appropriations Committee cleared for the Senate floor a $10.6 billion money bill for the Dept. of Transportation, which is in line with the President's original budget request but is $637 million below his new budget target.

In the area of social programs, a sharper test will come when the Senate Appropriations Committee completes its markup of the House-passed bill carrying funds for the Labor Dept., the Education Dept. and the Dept. of Health & Human Services.

The House, early in October, rejected the Administration's call for a further 12 percent reduction in non-mandatory programs. Its bill was nearly $4 billion over the President's revised request.

In the Labor Dept. segment of the funding bill, the Senate committee will be making decisions involving job health and safety enforcement, coverage under the mine safety law, and the wholesale layoffs of experienced Labor Dept. staff that would be required under the Reagan budget.

'New Yardstick' Invented

Kirkland Scores Shift On CPI Housing Costs

(Continued from Page 1)

past year require that the time schedule for improving the housing component of the CPI be shortened."

Norwood said the revision was being made sooner to have the new CPI-U index in place by the time it determines the tax brackets under an indexing provision of the new tax law which takes effect in 1985. She said that a Senate Finance Committee report estimated that the tax bracket indexing will cut federal revenues by nearly $13 billion.

BECAUSE SOME major labor contracts which use the CPI-W run for as long as three years, Norwood said, substantial advance notice of the change is needed so that these users will have adequate time to adjust to the new indexes.

The new method of calculating the housing component will be based on the concept currently employed in BLS's experimental CPI with its built-in "rental equivalence" measure—in BLS's technical parlance, the CPI-U X-1. Home ownership costs under CPI-U and CPI-W are determined by combining house prices and mortgage interest rates, both of which have been highly volatile in recent years. Under the rental equivalence measure, BLS tries to figure out how much it costs homeowners to rent their houses.

KIRKLAND POINTED out that the shift is being made at a time when interest rates have pushed home-buying costs out of reach for most Americans and in spite of the fact that two-thirds of all families are buying homes rather than renting.

"It is true that high interest rates are squeezing out prospective home-buyers, but dropping this component from the CPI will not help these Americans buy a house," he said.

Norwood stressed that the new rental equivalence measure "won't be exactly like the experimental X-1 measure but the X-1 is the closest to it."

She said that BLS has no way of knowing whether the new system will mean a higher or lower CPI, but that the experimental measure using the rental equivalence method resulted in figures almost always lower than either of the two current indexes. In September, for example, CPI-U would have dropped from 11 to 9.2 percent at an annual rate and from 1.2 to eight-tenths of 1 percent on a monthly basis.

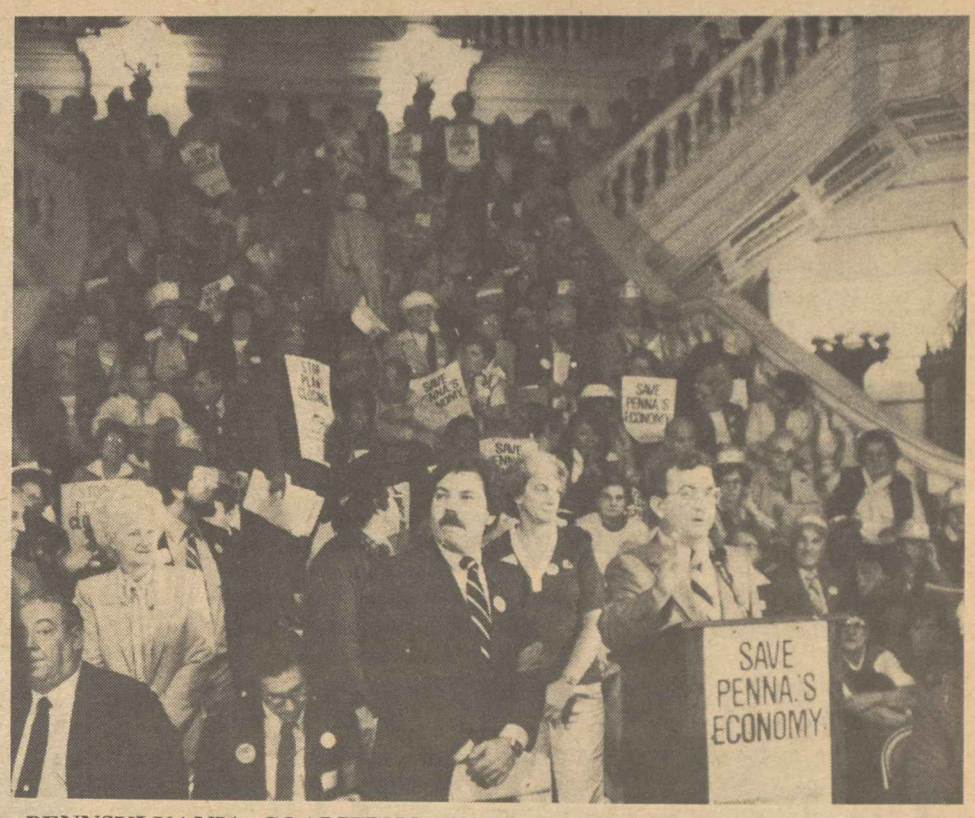
Some of the sharpest criticism of the proposed changes in the CPI was expressed by groups representing retired persons. The National Council of Senior Citizens said that it was concerned over the timing of the new calculations.

"THE BLS DECISION was made unexpectedly and at a time when the government is preoccupied with cutting the cost of federal programs," the council said in a statement. "Although we have never stood in the way of honest improvements in the CPI, the National Council of Senior Citizens fears that the proposed changes could reduce benefits in several social programs, including social security.

"We therefore have serious reservations about the new formula, and intend to carefully examine its impact on the elderly and on others who will be affected by the change."

Norwood insisted at her news conference that the decision to change the CPI was not political nor was it influenced by projected federal deficits.

"It is a technical decision, a professional decision that I made, and I will accept responsibility for it," she said.



PENNSYLVANIA COALITION of labor and citizens groups rallies at the state Capitol in Harrisburg in support of legislation to curb high interest rates and plant shutdowns. Addressing the more than 1,000 demonstrators of the Pennsylvania Public Interest Coalition is State AFL-CIO Treas. Robert McIntyre.

Relaxed S&L Controls Seen Aggravating Housing Slump

Legislation proposed to help savings institutions out of a financial squeeze would worsen the already severe depression in the nation's homebuilding industry, the AFL-CIO warned at Senate hearings.

Bills being considered by the Senate Banking Committee would allow savings and loan associations and other federally charted thrift institutions to take on many of the characteristics of commercial banks.

THRIFT INSTITUTIONS are a major source of mortgage funds, Henry B. Schechter, director of the AFL-CIO Office of Housing & Monetary Policy, stressed. Allowing alternate and more lucrative investments would result in "an even more restricted flow of funds for residential financing at affordable rates than presently exists."

Further, he suggested, "increased competition for savings will keep interest rates high," to the further detriment of the housing market.

Schechter cited the experience with state-chartered mutual savings banks, which originally were primarily residential mortgage lenders. After they were allowed to invest a greater portion of their assets in commercial loans, the percentage of assets in residential mortgages dropped from 63 percent in 1970 to 48 percent in 1980.

The tight-money policy enforced by the Federal Reserve Board has increased unemployment, forced home-buying costs out of reach of most families and failed to curb inflation, Schechter stressed.

He reiterated the AFL-CIO's call for the use of selective credit controls to make funds available for the most productive uses and "bring interest rates down to affordable housing levels."

If this were done, Schechter suggested, "it might then be possible for many of the thrift institutions to remain primarily in the business of making mortgage loans at affordable rates instead of being merged, becoming commercial banks, or closing their doors."

ON OTHER issues before the committee, Schechter expressed the AFL-CIO's opposition to federal preemption of state consumer credit interest ceilings and urged "a reasonable cap" on the increase in interest rates allowed under adjustable rate mortgages.

He noted that Canada, which has used adjustable rate or rollover mortgages for many years "currently faces the prospect of large numbers of home foreclosures because many mortgagors will have to renew their mortgages at such high interest rates that they will not be able to make required payments."

'Real' Earnings of Workers Down Sharply over Month

(Continued from Page 1)

from a drop of nine-tenths of 1 percent in average weekly hours and no change in average hourly earnings accompanied by the 1.1-percent rise in consumer prices.

The rise in the government's consumer price index last month was mostly due to another jump in mortgage interest rates, but BLS reported higher prices across the board. Food, transportation, and health costs rose at substantially higher rates than in previous months.

MORTGAGE RATES were up 2.5 percent over the month and are now above 17 percent on a national average. BLS said overall housing costs rose 1.3 percent and accounted for about half of the September CPI increase. Other shelter costs that rose last month were house prices, up six-tenths of 1 percent; rents, up eight-tenths of 1 percent, and fuel and other utilities, up 1.1 percent.

Over the past 12 months, prices have risen 10.8 percent as measured by the consumer price index. Inflation jumped at an annual rate of 13.2 percent during the July-September quarter, compared with 7.4 percent in the second.

"September's CPI emphasizes that inflation continues to be a serious problem," said Chairman Murray L. Weidenbaum of the President's Council of Economic Advisers in a statement.

LOOKING AT actual price performance for the year so far, the CPI has risen at an annual rate of 10.1 percent from January to September. The Administration has forecast a 9.9 percent increase in the index for all of 1981.

Consumer food costs, which had been keeping the CPI down in the spring and early summer, rose nine-tenths of 1 percent in September and were up at an annual rate of 9.9 percent in the third quarter. BLS reported sharp increases for beef, pork, eggs, fresh fruits and vegetables.

Medical care costs continued to surge, rising nine-tenths of 1 percent after an increase of 1 percent in August. Medical care costs have been rising at high rates for the past nine months.

Transportation costs rose 1.2 percent, the largest increase since February, as used car prices went up sharply for the fourth consecutive month. New car prices, even after accounting for rebate programs, were up also.

D.C. Coalition Hits Tuition Tax Credit Bid

Tuition tax credits will do more harm than good to the District of Columbia's residents, a coalition of labor, religious, business and civic organizations charged as it closed ranks in the fight to defeat a proposal for such credits on the city's Nov. 3 ballot.

The scheme would allow District residents to take up to $1,200 off their city income taxes for a child attending private school.

THE BALLOT measure has drawn national attention because it is one of the first local tests of the tax credit concept, which has the backing of the Reagan Administration and conservative organizations including the right-wing National Taxpayers' Union.

The American Federation of Teachers strongly opposes tuition tax credits, and the AFL-CIO has joined the union in testifying against a national tax credit bill introduced in Congress this year.

Opposition to the D.C. ballot question has been led by the Greater Washington Central Labor Council, the Washington Teachers Union, an affiliate of AFT, as well as the Government Employees and the State, County & Municipal Employees.

THE CENTRAL labor council and the unions stress that adoption of the tax credit would seriously damage free public education, drain the city's already hard-pressed treasury, force up other taxes for all D.C. residents and destroy jobs held by teachers, school workers and other city employees.

No reduced costs to public education would result from the plan, the coalition points out, because fixed costs of operating the schools will remain the same even if there is an exodus of children to private schools. Instead, there will be less money for books and supplies, reduced opportunities for students needing remedial, special or accelerated education, and drastic cuts in funds for after-school activities and sports.

"Our system of universal public education" could be "destroyed" if children flock to private schools, leaving public schools "to our poorest citizens only," the coalition stresses.

ALL CITY services will feel the loss of tax revenue, since the bite could be as much as $75 million in the first year alone if the tax credit scheme is approved. Public services such as fire and police protection, trash collection and transportation would have to be cut back, the coalition predicts. Thousands of city workers could be fired, and the coalition estimates that for every two public employees laid off, at least one private sector worker would lose a job as well.

The tax credit would benefit mostly taxpayers who need it least, since the amount of the credit is linked to income. To qualify for the full $1,200, a family of four would need an annual income of $25,300. As much as 75 percent of the benefit, the coalition says, would go to families with incomes over $40,000.

Although the initiative would give D.C. businesses the right to take a credit for up to 50 percent of their tax liability by providing "scholarships" to send children to private schools, the measure is opposed by the city's Board of Trade and other business groups on the ground that it will not only undermine the public education system where many workers are taught, but also erode the tax base and force up taxes on property and business to make up for lost revenues.

In the Name of Freedom

DEMAGOGUES who demand in the name of freedom that government get off "our" backs have no concern for anybody's freedom but their own. They are contemptuous of the freedom and opportunity that vital government programs have brought to school children and old people, the unemployed, the disabled and the disadvantaged.

They have no desire to lift any burdens from the backs of workers. They energetically support compulsory open-shop laws, the imposition of tougher penalties under the Hobbs Act, court injunctions and all of the other restrictions on the activities of workers and their unions.

In the name of fighting inflation, the enemies of Davis-Bacon tell us the lowest bidder on any government construction project should be free to auction off jobs to the lowest bidders among workers—that is, those with the lowest skills and the least bargaining power, the most desperate workers in a depressed industry.

THE ARGUMENT that this would boost productivity and open new opportunities for deserving contractors is cynical nonsense.

There are other proposals to improve productivity and fight inflation at the expense of workers. One is to repeal the eight-hour day, the first and oldest labor standard on the books, so as to relieve employers of overtime pay. Another is to remove minimum-wage protection from youngsters at the bottom of the economic ladder. A third is the return of industrial processes to the home, so that employers can exploit helpless workers—and their children—without paying the rent, or worrying about hours and overtime, or health and safety, or minimum wages, or fringe benefits, or unions.

THERE ARE PROPOSALS to remove the restrictions that restrain industry from polluting the air and water, or from stripping the natural resources that the government holds in trust for the people, and a continuing effort to dismantle the Occupational Safety & Health Act.

These are elements of a general assault on the whole body of laws and regulations through which the government carries out its responsibilities to the people.

Throwing out and destroying that machinery for the ostensible purpose of "getting the government off our backs" has a certain appeal—but only to those who believe that the function of government is to look out for the rich and powerful and to look the other way when ordinary people are injured.

WHAT LIFTED burdens from the backs of the American people was a government that stood at the side of the people, carrying out the plain duty prescribed for government in the Constitution—the duty to "promote the general welfare" and "provide for the common defense."

We in the labor movement take those words at face value. We have spent a hundred years in the struggle to make them real. All our experience reinforces our conviction that, to promote the general welfare requires government to protect the interests of the poor and weak. The rich and powerful can look out for themselves, and they do that extremely well.

—From an address by AFL-CIO President Lane Kirkland to the Building & Construction Trades Dept. convention in Atlantic City, N.J., Oct. 21.

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Higher Local Taxes

Federal Budget-Balancing Act Dumps Burden on States, Cities

By Gus Tyler

IN 1981, 30 states in the United States raised their taxes by $2.5 billion a year. They did so because the federal government in its drive to balance the budget in Washington is unbalancing the budget in the states. The states have to get more from their taxpayers, because less comes from Washington.

What is true of the states is equally true for the cities, towns and counties. They, too, are raising their taxes and for the same reason—to make up for the federal funds they are losing.

THE PRESSURES on local governments are piling up to the breaking point. Thus, the National Association of Counties, through its executive director, Bernard F. Hillenbrand, warns of a coming collapse of the counties. Referring to President Reagan's recent request for a second round of budget cuts, Hillenbrand said: "If these proposed cuts become reality you may soon read about dozens of counties going bankrupt. We will be lucky to have limited fire and police protection."

Counties—like all local government—will be caught in a squeeze play. As Washington cuts off funds for job training and education programs, more "people will have to go on welfare." At just that time, there will be fewer funds from Washington to cover welfare or anything else.

That leaves local government with no alternative but higher taxes. So the taxes are going up and will continue to do so.

FOR THE AVERAGE taxpayer, this means that any tax benefits from Washington will be cancelled by consequent tax increases locally. This will not apply with equal validity to all taxpayers, however.

The hardest hit will be the poor and the middle-income people, because the kind of taxes levied by local government fall heaviest on these classes. For instance, of the $2.5 billion in added taxes levied by 30 states in 1981, almost all of it consists of general sales taxes, or of specific consumer taxes on gasoline, tobacco, alcoholic beverages. Since the "average" family spends the bulk of its earnings on consumer goods, the bulk of its spendable income is taxed. Those families that put the bulk of their income into investment find the bulk of their spendable dollars untaxed.

As a consequence, the shift in the burden of taxation from Washington to the localities is also a shift in the burden of taxation from the more affluent to the less affluent and to the poor.

IRONICALLY, however, this dumping the dirty job on local government could work out to the political advantage of the President. He looks like an efficient, prudent, business-like statesman who is cutting taxes and cutting expenditures. By contrast, the local governments look like inefficient, improvident wastrels, imposing oppressive new taxes on their citizens in a time of hardship.

As a result, public protest is very likely to be directed at county executives, city mayors, and state governors who will be asked why they don't do like Reagan does. These local officials could reply, of course, that the whole mess is due to Reagan. But will the people understand?

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Fed's Tight Money Cure Making Inflation Worse

The record of recent decades shows that reliance on the Federal Reserve's policy of tightening up the money supply to control inflation is ineffective.

It is ineffective because the resultant high interest rates add to inflation both directly and indirectly.

The cost of goods and services that must be financed rises as interest expenses are directly rolled into prices. The skyrocketing cost of purchasing a home is perhaps the most striking example of this process.

Because high interest rates discourage demand, the manufacturing capacity utilization rate declines, and businesses can't operate at levels of peak efficiency. This increases the cost of production.

A longer-run effect results from the increased unemployment of men and machines. Hundreds of billions of dollars of national product and income are foregone. The economy is left with less adequate stocks of housing and industrial equipment than could have been produced and is more susceptible to the next round of inflation.

—From AFL-CIO testimony at Senate Baning Committee hearings, Oct. 28, 1981.

A Modest Proposal

Inflation-Fighting Made Easy

The following commentary was broadcast on CBS Radio's "Newsbreak," Oct. 27, 1981.

By Charles Osgood

THE GOVERNMENT would like to get the consumer price index down for a change, so would a lot of other people. But how can you, when interest rates are so high that hardly anybody can afford a mortgage to buy a house anymore? Well, where there's a will, there's a way and the government has come up with an ingenious plan.

What they're going to do is—and they're announcing it today—they're going to remove the cost of buying a house from the index. It's as simple as that. With mortgage interest rates no longer a factor in computing the index, the index will go down and everybody will be happy. Now, why didn't you and I think of that?

The reasoning behind this might well be applied to some other things, too. Then, you'd really see an improvement in the old CPI. A modest proposal, in just a moment.

* * *

WHEN I SAY that hardly anybody can afford to buy a house anymore, I'm not just talking through my hat. At a mortgage interest rate of 17.5 percent, which is the going rate, a modest $60,000 mortgage will run you $880 a month. That's about double what it would have cost you two years ago. And, who can afford that?

Facing reality, then, the consumer price index will, effective in 1983, simply assume that everybody is renting and take house-buying out of the index because house-buying has gotten so expensive.

It's such a terrific idea, why not go all the way? Food, clothing and shelter are the three basic necessities. If we're going to remove shelter, why not remove food and clothing too? Food and clothing prices are up, too, as anybody knows who's bought a pork chop or a new pair of shoes lately.

Once we have taken food, clothing and shelter off the consumer price index, we ought to see inflation, as measured by the CPI, come way down. See what I mean?

In fact, if we pretend that we don't need to eat, don't need anything to wear or any place to live, we can pretend we've got this inflation thing licked for once and for all.

Why stop there? In addition to removing things that have been going up from the consumer price formula, why not add a few things that are going down?

IF WE'RE going to take the price of buying a house out of the inflation indicator for the simple reason buying a house is so much more expensive than it used to be, well, why not do the other things? Why not throw in there something that is cheaper than it used to be? Like what, you may ask? What in the world is cheaper than it used to be? Well, why not tie the consumer price index to the stock market, say? We all know that the prices of stocks on the stock market tend to go down when interest rates go up. And, sure enough, they have been going down.

Tie the consumer price index to the Dow Jones industrial average instead of such frivolous stuff as food, clothing and shelter, and inflation as we know it will be a thing of the past.

To End Exploitation

Opportunity for Citizenship

From AFL-CIO testimony at Senate hearings:

THE AFL-CIO supports a fair and generous program to legalize the status of illegal immigrants who have become part of the American community, but that program must operate in tandem with an effective program for cutting off the further flow of illegal immigration. Conditions consistent with a compassionate regard for the families involved should be set with a minimum of formality to make citizenship possible for individuals who presently have a strong attachment to this country.

We have serious reservations about the Administration's proposal for "temporary resident status for illegal aliens." There would be a 10-year waiting period of continuous residence before this "temporary" status, renewed every three years, could be converted to permanent resident status after a demonstration of English language proficiency.

Under the Administration proposal, an alien with "temporary resident status" could not bring his spouse or children to the U.S.A. and would not be eligible for a variety of social programs, including unemployment compensation.

We believe citizenship should be possible for individuals who presently have a strong attachment to this country. Under the Administration's proposal, no such hope is held out to illegal residents, who, therefore will be far less likely to register, far more likely to continue in an illegal work status and to undermine the wages and working conditions and job opportunities for U.S. citizen workers.

Curbing future illegal immigration—including stronger border controls and interior enforcement, and more support for the Immigration and Naturalization Service—must be accomplished before any legalization program is put into effect. There is a need to absorb the full effect of a decade of large-scale legal immigration and refugee flow and to regularize the status of illegal alien residents and their relatives before increasing the present levels of legal immigration.

Reagan's Budget Knife

Education Aid Still Threatened

ALTHOUGH CONGRESS turned down some of the massive education program cuts sought by the Reagan Administration, the battle to save the nation's public school system from catastrophic budget slashes is far from over, AFL-CIO Education Director Dorothy Shields warned.

"We're not out of the woods yet," Shields stressed, pointing out that the Administration is still calling on education for further "sacrifices to the Office of Management & Budget to make things balance." She said the support for public education shown in the Solidarity Day demonstration in Washington helped persuade Congress to reject the President's appeal to convert categorical aid for disabled and disadvantaged children into block grants that could be used for any purpose.

Questioned by reporters on the network radio interview Labor News Conference, Shields said that the Administration is persisting in its "long-term plans to fold all of the major education aid programs into block grants."

She warned that without a federal leadership role in directing aid to severe problem areas that may not speak with a "strong political voice," many children most desperately in need of assistance would lose "vital help" they now get because the federal funds are earmarked for such specific purposes.

SHIELDS SCORED the tuition tax credit scheme that is now before Congress and a similar proposal that is at issue in a Nov. 3 referendum in the District of Columbia. She said that the Reagan Administration has "made it clear that if the national bill passes," the revenue loss "will be taken from other programs in public education that are funded at the federal level."

She said that the District of Columbia tuition tax credit bill would be "very, very detrimental to a public school system that already is having problems," and would force a tax increase. The real effect, she said, would be to create an "opportunity for the affluent families in the District of Columbia to wipe out their tax liability by claiming credits for children already enrolled in private schools." But it would not help "a family that does not already have money."



By Press Associates, Inc.

THE LIST OF social programs—schools lunches, food stamps, extended jobless benefits, health services, student loans and many more—isn't the only thing the Reagan Administration is cutting back.

Less visible, but no less alarming, has been a cutback of the federal commitment to hard-won civil rights protections for minority groups and women.

In a number of areas of government efforts to help victims of past discrimination improve their lives, or at least hold their own, the Administration is backtracking. These areas include affirmative action, school desegregation, the right to vote, and the Equal Rights Amendment.

The Labor Dept. in August unveiled a new set of department rules which will weaken anti-discrimination requirements for federal contractors.

UNDER THE proposed rules, which the department plans to put into effect later this year following the standard period for public comment, written affirmative action programs would be required only from government contractors having 250 or more employees and contracts worth at least $1 million. The current thresholds are 50 employees and a $50,000 contract.

Labor Dept. officials, unfurling the Reagan banner of "deregulation," say the new rules aim to lesson the paperwork "burden" on smaller businesses.

But civil rights experts note that a large majority of job and job training opportunities are available in the smaller companies—the same ones to be released from the requirement of showing a plan to hire minorities and women.

The new rules would slash by 75 percent the number of companies covered by an affirmative action program—145,000 companies employing nearly 7 million people would be excluded.

ALSO, THEY would cut back the definition of the appropriate number of minority members and women for which contractors set hiring goals and timetables in different areas of the country.

But the new rules, say civil rights advocates, are important not only for their details and possible effects on hiring patterns, but also for what they symbolize. They are viewed as a reversal of a bipartisan government anti-discrimination policy going back to Franklin D. Roosevelt.

Since Roosevelt in 1941 issued an Executive Order barring discrimination by military contractors, seven Presidents—up to the current one—have extended and strengthened the "contract compliance" program.

As for the question of extending the Voting Rights Act, Reagan has slowly backed away from his longstanding outright opposition, but a recent newspaper report said the President will support moves to significantly weaken the act when the Senate takes it up next year.

The 1965 Act, which has dramatically increased the percentage of blacks registered to vote in the South and of registered Hispanics in the Southwest and elsewhere, has been called the most successful civil rights law in the nation's history.

On Oct. 5, the House of Representatives rejected several amendments aimed at weakening the Voting Rights Act and voted by a resounding 389 to 24 margin to extend its key provisions for 10 years.

The House did the right thing. The Senate should follow. And so should the Reagan Administration on voting rights and the other civil rights issues.

The government ought to lead the way against discrimination, not sound a retreat.



THE BATTLE to save public schools from an unfair burden in the drive to balance the budget is far from over, despite the refusal of Congress to go along with some of the massive program cuts the Administration has demanded, AFL-CIO Education Director Dorothy Shields, center, warned on Labor News Conference. She was questioned by Robert Cooney of Press Associates, Inc., and Ann McFeatters of the Scripps-Howard Newspapers. The AFL-CIO produced public affairs program is aired on the Mutual radio network.

PATCO Families Express Thanks for the Help

"This past weekend I did not know how I was going to survive for the month of October," the letter read. "However, as I opened my mail Monday I found the assistance check to relieve some of my financial burden.

"I only wish I could describe my feelings at that moment, and that I will have the rest of my life for organized labor."

THE LETTER is from only one of scores of striking air traffic controllers and their families who have written the AFL-CIO thanking the American labor movement for the emergency help they've received since the Professional Air Traffic Controllers Organization struck over wages and working conditions Aug. 3.

To date, the PATCO Family Fund has disbursed over $600,000 contributed by AFL-CIO affiliates and ordinary citizens. Director Walter G. Davis of the federation's Dept. of Community Services, which has handled the fund, reported this week that a total of 1,264 claims averaging between $200 and $450 were processed. Even more have been distributed in the field by community service representatives, he said.

"ONCE AGAIN, the American labor movement has risen to the occasion, and come to the aid of its own," said Davis.

Letters have come in to Davis, in care of the Family Fund, from contributing unions and individuals as well as recipients. This one from Furniture Workers Local 136 in Poultney, Vt., reflects the empathy shared by donors with the striking controllers:

"We know what it's like to be out on strike and how grateful it is for each strike donation," wrote Sec.-Treas. Josephine Quinn. "This is known as 'solidarity,' and we must stick together and help each other." A check for $25 was enclosed.

A SAMPLING of Davis's mail shows how welcome the checks were, and how relieved the recipients were knowing that they were not alone in the struggle.

"Things are really rough," wrote a PATCO member in Swantz Creek, Mich. "It seems like the whole world is against us for doing something we so strongly think we have the right to do. I may end up broke, but I'll be able to hold my head high knowing I had to do it and I'd do it again. I cannot express in words our thanks for your help at this time."

Another wrote: "As you can imagine, these are very difficult times for us and our families. But we have not lost faith in the strength of our country and its people. We all refuse to believe that they can forget that America was built by the sheer power of its labor and not its management. Whatever happens to PATCO, the ideals for which it stands will remain intact, we promise you that."

A PATCO member in Mendota Heights, Minn., wrote that "since this is my first strike, the past two and a half months have seemed very long. Since I've received the check, I've found that old spring in my step as I walk the sidewalk carrying my picket sign, holding my head high, and keeping my creditors happy."

From Grand Island, Neb., a PATCO member wrote that "being on strike in a small, anti-union, farming community, I was feeling very much alone in my fight. The AFL-CIO support of PATCO shows me I was wrong."

Union contributions ranged from $100,000 each from the Steelworkers, Communications Workers, and Auto Workers to $1 per member from Furniture Workers Local 376 in Athens, Tex.

Other recent donations have included $10,000 each from the Clothing & Textile Workers, Letter Carriers, New York State United Teachers, Electrical, Radio & Machine Workers and the unaffiliated United Electrical Workers. The State, County & Municipal Employees gave $15,000.

Of individuals, the letter from Jay Morgan in La Jolla, Calif., was representative: "Enclosed is a check for $5. Wish it could be much more but I am a retiree on a fixed income, the same since 1961. Yours is the good fight against a heartless and anti-labor Administration."

Administration Urged to Rehire Air Controllers

(Continued from Page 1)

Haughton said he would concur in the decision if the union failed to call off the walkout within five days and to pledge that it would abide by legal strictures against federal strikes.

Following a meeting in Baltimore, PATCO's executive board said it is willing to end the strike but would not declare it officially over until the FAA ended its lockout of the 11,500 strikers.

"The only way we could comply (with Haughton's request) is to order our members to return to work," the board said in a two-page statement. "However, PATCO's members have been locked out by their former employer and could not return even if so ordered."

PATCO's executive board sent a letter to Transportation Sec. Drew Lewis urging him to accept the union members back on the job.

"In the interests of restoring the air traffic control system to its former efficient operation, all of our members are ready, willing and able to return to their facilities immediately," the letter read.

PATCO PRESIDENT Robert Poli, in announcing the union's decision to appeal the decertification order, said the union should not yet be counted out.

"I don't think PATCO will ever be dead," he said. "We are in a situation right now where the American public and the Congress are going to decide when this thing is over."

Poli said PATCO will argue to the appeals court that the FLRA, in decertifying the union for striking against the Federal Aviation Administration on Aug. 3, did not consider using lesser penalties imposed in past cases of walkouts by federal workers.

Meanwhile, Transportation Sec. Drew Lewis forwarded to Congress the government's proposed pay package for controllers now working in airport towers and air traffic control centers.

The package calls for an increase of 11.4 percent in wages and benefits, including a 4.8-percent rise granted all fedtral employees on Oct. 1—the same overall increase contained in the proposal the Administration offered PATCO before the strike.

REP. WILLIAM D. Ford (D-Mich.), who chairs the House Post Office & Civil Service Committee that has jurisdiction over the pay package, expressed disappointment over the government's decertification of the union.

"It is unfortunate that the FLRA did not reach a solution that would have left room for a just resolution of the dispute between the government and the air traffic controllers," Ford said.



MARYLAND LABOR DELEGATION marches at the White House to protest Reagan Administration attacks on job safety and environmental protections. The group was headed by President Thomas M. Bradley, second from left, of the Maryland-District of Columbia AFL-CIO. The rally was part of a series of demonstrations sponsored by the federation's Industrial Union Dept.

Colorado Delegates Explore Alternatives to Reagan Cuts

Colorado Springs, Colo.—Problems facing Colorado labor as a result of Reagan Administration actions occupied the 300-plus delegates at the State AFL-CIO's 14th biennial convention here.

President Robert Goss of the Oil, Chemical & Atomic Workers lashed out at the Administration for "dismantling social and health programs, school lunches, social security, and all the other things he's wrecking."

"NONE OF US mandated him to do all the damage he's doing," said Goss. He warned that there exists today "the greatest concentration of anti-labor forces ever in this country," adding:

"Big money is massing in Colorado, and is in the hands of anti-union interests."

Earlier, convention keynoter Victor Bussie, president of the Louisiana AFL-CIO, warned that the Reagan Administration's anti-union stance bodes ill for all workers, especially those belonging to unions.

Bussie spoke of the "unfairness of balancing the budget at the expense of those least able to afford the sacrifice, and recapped the plight of striking air traffic controllers fired by President Reagan after endorsing his candidacy last year.

During the three-day meeting, delegates approved a number of resolutions and constitutional changes to deal more effectively with the problems facing Colorado labor. Among the major issues in the state are redistricting — Colorado was awarded an additional House seat in Congress—and attempts by the Republican majority in the state legislature to gerrymander state districts; development of new energy sources, including oil, oil-shale and solar energy, and renewed attempts to impose open shop conditions on state employees.

The delegates also voted to expand the Denver-based labor community agency, transforming it to a statewide operation from its present four-county operation.

State AFL-CIO President Norman Pledger and Sec.-Treas. Zelda Bransted were unanimously re-elected, and 29 vice presidents were named.

OTHER CONVENTION speakers included Gov. Richard Lamm; Rep. Ray Kogovsek (D-Colo.); Esther Foster, national representative for the Coalition of Labor Union Women, and Jane Adams, western director of COPE VIP.

President John Haggerty of Local 501, Professional Air Traffic Controllers Organization, in Longmont, brought delegates up to date on the PATCO strike and thanked them for their moral and financial support. Contributions of more than $1,000 were collected for the PATCO Family Fund.

Canada's Jobless Rate Surges to 8.2 Percent

Ottawa — Canada's unemployment rate took its sharpest jump ever, rising to 8.2 percent in September from 7 percent in August.

Statistics Canada, a federal agency, said the 1.2-percent increase brought the jobless rate to its highest level since November 1978, when it also was 8.2 percent. The agency also reported a sharp drop in employment.

Telegraph Union Delegates Adopt Increased Dues

Lake Buena Vista, Fla.—Delegates to the Telegraph Workers convention voted increases in per capita payments, called for stepped-up organizing activities, established a study committee on restructuring the union and re-elected top officers.

After approving a constitutional change transferring per capita tax authority from membership referendum to convention action, the 170 delegates voted to raise monthly payments for UTW locals to $7.75 from the current $4.75. For the union's autonomous divisions—composed of members employed by the Associated Press, United Press International and the Canadian Pacific Railroad—the per capita was increased to $2.60 from $1.60.

THE UNION'S leadership sought the increased funding to meet higher operating expenses and to offset debts incurred after the 1979 convention adopted a deficit budget.

One of the major considerations that the union's restructuring committee will undertake is the possible consolidation of the UTW's regional operations.

Re-elected to new two-year terms were President Richard C. Brockert, Sec.-Treas. Jerry Grim and Vice President Reva Kociolek.

In other action, the convention called for expanded voluntary political action contributions through payroll deductions and urged Congress to repeal sections of the Communications Act that prohibit Western Union from entering the international market. Delegates turned down a proposal to hold conventions every four years rather than biennially.

Stevens Settles Pay Claims for Nearly $400,000

New York—J. P. Stevens & Co. has paid nearly $400,000 in settlement of 47 backpay cases arising out of charges filed against the company in 1979 by the Clothing & Textile Workers.

At that time, ACTWU charged that the company had instituted major unilateral changes in working conditions and other policies at its West Boylston, Ala., plant without negotiating with the union. ACTWU had been designated by the National Labor Relations Board as the bargaining representative at the plant.

In the national settlement agreement reached by the union and the company on Oct. 19, 1980, the West Boylston case was reserved for further negotiations. As a result, 47 workers have received awards, many exceeding $10,000 each.

Suit Seeks to Keep Ban on Homework

Unions and employers in the apparel industry have asked a federal court to stop the Labor Dept. from lifting a 40-year ban on industrial homework in the knitted outwear industry.

Joining in the request for an injunction were the Ladies' Garment Workers, two ILGWU locals representing workers directly affected, the Clothing & Textile Workers, employer associations representing knitted outerwear manufacturers and a number of individual companies.

The union-industry complaint, filed in federal district court in the District of Columbia, cites adverse effects on both workers and manufacturers.

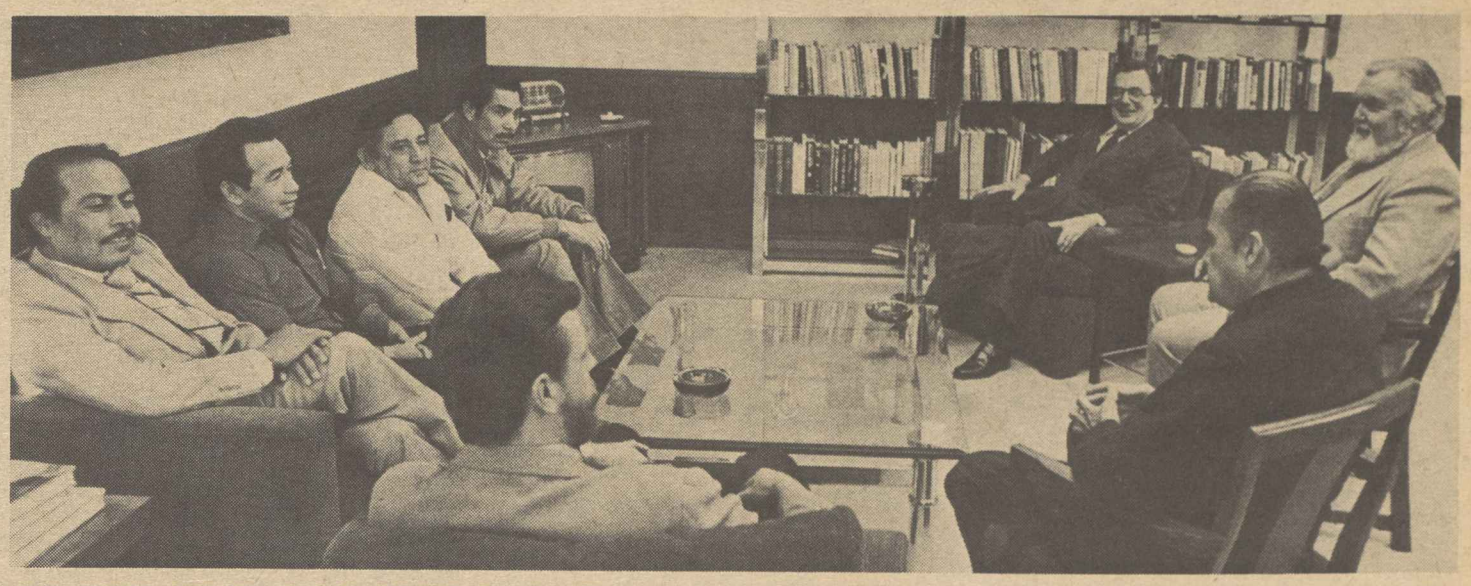
It warns that allowing commercial knitting to be done in the homes of workers will make it impossible to enforce the Fair Labor Standards Act, resulting in payment of substandard wages, violations of hours limitations and probable violations of child labor laws.

Manufacturers will lose business to competitors using low-paid home workers and may be forced to lay off employees or close down, it asserts.

LABOR SEC. Raymond J. Donovan ordered the lifting of homework restrictions, effective Nov. 9, even though the bulk of comments the Labor Dept. had received were opposed to relaxing existing prohibitions. The ban on work at home will remain for six other covered industries.

The AFL-CIO protested at the time that the exemption for knitted outerwear "reopens the door to exploitation" of homeworkers that led to the original sanctions against kitchen sweatshops.

The union-industry suit contends that the administrative record does not support the Labor Dept. action.



LEADERS OF EL SALVADOR'S Popular Democratic Unity coalition, an alliance of moderate organizations including trade unions representing the majority of that country's urban and rural workers, discuss their goals with AFL-CIO leaders. Joining Federation President Lane Kirkland were William C. Doherty Jr., executive director of the American Institute for Free Labor Development, and Michael Boggs, assistant director of the AFL-CIO's Dept. of International Affairs. The Salvadoran trade unionists, who are seeking free elections and continued land reform, are Francisco Zaldana, Jose Luis Grande, Gabriel Pilona, Jose Nicolas Orellana, and Salvador Carazo.

Houston Project Teams 30 Unions For Organizing

(Continued from Page 1)

unions the organizing resources of their affiliation with international unions, plus 20 staff organizers on the project itself, seven division coordinators, research and public relations services, and advanced word processing technology. The staff and international organizers come from diverse unions and backgrounds. The coordinators are mostly AFL-CIO field representatives.

Robert Comeaux, AFL-CIO Region IV assistant director and coordinator of the Houston Project, told reporters at a news conference that "this is a program to come head-to-head with the growth of this city and secure the right of collective bargaining against the design of business, management and industry in Houston. Local unions sought this coordinated effort because they have wanted and needed it."

HARRIS COUNTY AFL-CIO Sec.-Treas. Don Horn was joined by Texas State AFL-CIO President Harry Hubbard in emphasizing the role of local unions in initiating the project.

"We worked five years for this kind of program," Horn said. "Houston is among the most oragnized cities in Texas, but it is also the home of three of the top labor management consultants in the country. They spend their time, and the money of management, to destroy unions. We have sought this organizing project to preserve the rights of collective bargaining for the workers of our area, including those not now organized."

Kistler said the Houston Project will seek to emulate the successful Los Angeles campaign, which developed more than 400,000 new union members, and continues to function today. It will also draw on the experience gained during campaigns against "right-to-work" legislation.

Rehirings End Teachers Strike In Philadelphia

Philadelphia—The city's 22,000 public school teachers and other employees who went out on strike Sept. 8 returned to their jobs after a court ruled the school district must rehire 3,500 laid-off teachers.

The court decision came as Philadelphia labor leaders prepared for a citywide strike in support of the teachers. President John Murray of the Philadelphia Federation of Teachers, following the court ruling, announced cancellation of the citywide walkout, scheduled for Oct. 28.

THE PFT CALLED the strike after the school board laid off the teachers, cancelled a 10-percent pay raise that had been negotiated a year earlier, and imposed other economies to balance its 1981-82 budget as required under state law.

Commonwealth Court Judge James Crumlish ruled that the school district must honor provisions promised in the first year of its two-year contract with the teachers, but could legally negate certain economic provisions of the pact without terminating the agreement.

The court ruling meant that the school district must rehire the laid-off employees, but need not implement the 10-percent pay increase it promised at the start of the second year.

"We are teachers and our primary concern is the children," said Joe Pizzo, a member of PFT's executive board. "We brought back the programs we said the children needed. We won our battle."

Cargo Preference Included In Seaport Improvement Bill

The House Merchant Marine Committee has voted bipartisan approval of a union-supported port development bill that includes a cargo preference clause for U.S.-built, American-flag vessels.

If enacted, the legislation would spur upgrading of U.S. ports to end the bottlenecks that have held coal exports substantially below the potential market.

KEY PROVISIONS of the bill are along lines that were urged by maritime unions and by AFL-CIO President Lane Kirkland last August in a letter to Committee Chairman Mario Biaggi (D-N.Y.).

The bill, which reportedly was approved by a unanimous voice vote of the committee, would speed the granting of permits for port improvements and provide for federal-local cost-sharing.

It envisions bilateral agreements between the United States and its trading partners that would assure a gradually rising share of all dry bulk cargo for U.S. vessels. The dry bulk cargo preference would not be limited to coal shipments.

INITIALLY, the U.S. share would be set at 4 percent of the two-nation trade, rising by 4 percent a year to reach the goal of 40 percent within 10 years. That would bring the division in line with what is becoming a norm for international trade of 40 percent carried in the ships of each of the trading nations, with 20 percent allowed for vessels of other nations.

While the Administration has not taken a formal position on the measure, Biaggi said he had been informed that the cargo preference provision adopted by the committee would be acceptable to the Dept. of Transportation. Bulk cargo carriers for the preferencee trade would be built in U.S. shipyards without construction subsidies and would not be eligible for government operating subsidies.

Less certain is the Administration's position on federal expenditures for harbor improvement and maintenance.

IN THE HOUSE, the Public Works Committee shares jurisdiction over port development and will be shaping its own bill. There is likely to be an effort by both panels to join in bringing a single measure to the House floor, possibly before the end of this first session of Congress.

Previous cargo-preference battles in Congress have been over efforts to assure a share of oil imports into the United States for American-flag tankers. President Ford vetoed one such bill in 1974 and another measure was defeated in the House in 1977, despite Administration endorsement.

George Pierson, Stove Workers President, Dies

St. Louis—George E. Pierson, president of the Stove Workers for the past seven years, died Oct. 27 after a heart attack while attending a union conference in Columbia, Tenn. He was 54.

Pierson, who began his career with Stove Workers Local 32 in Kankakee, Ill., was chairman of the local's executive committee before being made an international representative. He was elected to the union's executive board in 1971 as a vice president. He was first elected president of the union in 1974.

AFL-CIO President Lane Kirkland, in a letter to Pierson's widow, praised him as an "effective officer truly dedicated to the interests of his union and its members." His loss, Kirkland said, "will be deeply felt by the labor movement which he loved and served so well."

Survivors include Pierson's wife, Irene, and three children. Services were held Oct. 30 in Bradley, Ill.

Labor Asks Stricter Limit On Formaldehyde Exposure

The AFL-CIO and 11 federation affiliates have petitioned OSHA to reduce worker exposure to formaldehyde "to the lowest feasible levels" because of new findings that the chemical poses a serious cancer risk to humans.

Citing laboratory studies conducted over the past several months, the petitioners called on the federal job safety agency to issue an emergency temporary standard to upgrade workplace protections.

THE EXISTING OSHA standard does not adequately protect workers from the cancer hazard, the petition said, noting that an estimated 1.6 million workers are exposed to the chemical in more than 60 industrial categories.

OSHA currently limits exposure to three parts of formaldehyde to one million parts of air (3 ppm) over an eight-hour shift, but allows a maximum peak surge of 10 ppm.

In citing the results of the new scientific studies, the petitioners noted that laboratory animals developed nasal cancer after being exposed to formaldehyde vapors comparable to workplace levels.

The petition, initiated by the Auto Workers, also pointed out that as far back as 1976, the National Institute for Occupational Safety & Health had recommended lowering the formaldehyde exposure limit to 1 ppm.

Joining in the petition, in addition to the UAW and the AFL-CIO, are the Industrial Union Dept., Allied Industrial Workers, Clothing & Textile Workers, the State, County & Municipal Employees, Machinists, Chemical Workers, Molders, the Oil, Chemical & Atomic Workers, Carpenters, Rubber Workers and Steelworkers.

United Way Appoints Creque to Key Labor Post

Alexandria, Va.—Bobbie J. Creque has been named assistant director of the Labor Participation Dept. of the United Way of America. The appointment was announced by Jordan L. Biscardo, director of the United Way department, and AFL-CIO Community Services Director Walter G. Davis.

Creque began her career with the AFL-CIO Dept. of Community Services in 1968 and became an AFL-CIO intern in 1970 after completing the staff development program at the George Meany Center for Labor Studies. She joined the United Way as a representative in 1972 after serving as labor liaison representative with the National Center for Voluntary Action.

A specialist in child care and consumer affairs, Creque organized the AFL-CIO Dept. of Community Services' first child care conference in 1970. She is a member of the Office & Professional Employees.

GOP Political Ploy

Poll on Aging Parley Draws Sharp Protest

A Republican-sponsored poll of delegates to a White House Conference on Aging drew sharp protests on Capitol Hill and was assailed by the National Council of Senior Citizens as part of an attempt to "politicize" a traditionally non-partisan event.

Hearings by the House Select Committee on Aging revealed that the chairman of the Republican National Committee had received a list of conference delegates from Health & Human Services Sec. Richard S. Schweiker after having been turned down by conference officials. Requests by other organizations for delegate lists had all been rejected.

More than 900 delegates were interviewed by phone, the hearings disclosed, by persons asserting they were calling in regard to the conference, but not revealing the connection with the Republican National Committee.

Witnesses testified that they were asked what they thought of President Reagan and his performance in office, what organizations they belonged to, whether they thought the infirm aged should be cared for by government or by their immediate families, whether people should be responsible for their own financial support in their older years, and their views on what sort of social security cuts people would accept.

Committee Chairman Claude Pepper (D-Fla.) expressed concern that the poll results would be used to stack key committees to avoid criticism of the Administration's efforts to cut back social security.

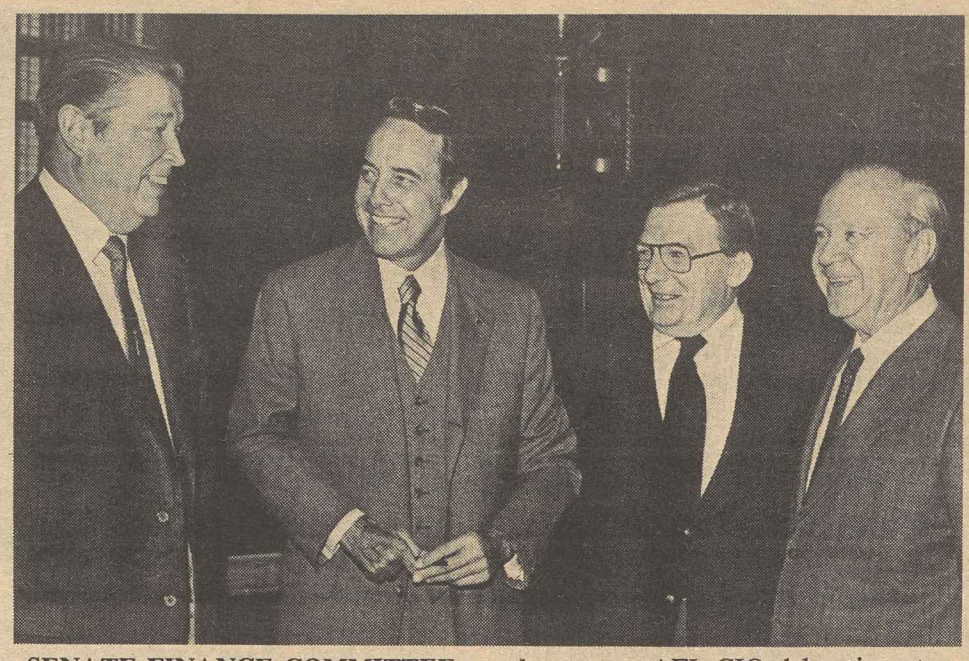
THE CONFERENCE is scheduled to open Nov. 30. In addition to delegates previously appointed by governors and members of Congress, the Administration has authorized the appointment of additional delegates chosen by the White House.

A statement adopted by the general board of the National Council of Senior Citizens cited other examples of Administration efforts to "manipulate and control" the conference, including:

- Removal of the executive director of the conference, David A. Rust, less than six weeks before the conference was to begin. Rust, a Republican who served for a number of years as minority counsel of the Senate Special Committee on Aging, was "promoted" to another HEW post after he had recommended against turning over the delegate list to the Republican National Committee.
- A voting procedure adopted by an Administration-controlled advisory committee that will allow delegates only a single "up-or-down" vote on a package of 14 committee reports.

The Senior Citizens statement charged that this would deny the majority of delegates "any voice in most of the important decisions made during the conference."

The NCSC board said it will urge delegates to resist attempts to use the conference as a "political football" and instead to carry out the original goals of the gathering—"to fully explore the problems of older Americans and to make appropriate recommendations for solving those problems."



SENATE FINANCE COMMITTEE was host to an AFL-CIO delegation at a breakfast meeting to discuss legislative issues. Shown here, from left, AFL-CIO Vice President John H. Lyons, Committee Chairman Robert Dole (R-Kan.), AFL-CIO President Lane Kirkland and Sen. Russell B. Long (D-La.), ranking minority member. The AFL-CIO group included Sec.-Treas. Thomas R. Donahue, Vice Presidents Kenneth T. Blaylock and William Konyha and state federation officials from New York and Virginia. Twelve other senators attended.

Mediation Agency Reports Decline In Strike Rate

The rate of strikes and contract rejections in labor-management disputes handled by the Federal Mediation & Conciliation Service dropped to its lowest level in several years during the 1980 fiscal year, the agency said in its most recent annual report.

Only 12.9 percent of the dispute mediation cases handled by the agency during the period involved strikes, down from 14.2 percent in fiscal 1979 and the lowest percentage since the 11.4 percent rate of 1973. Also, the number of cases involving strikes—2,764—was lower than in four of the last six years.

THE PERCENTAGE of joint meeting cases involving contract rejections was the lowest since 1976 and the second lowest since 1973. Only 1,101, or 10.7 percent, of these cases involved rejections, down from 1,219 and 11.9 percent last year.

The agency also reported that it handled its second highest number of contract negotiation cases in a decade. The total of 21,505 was 5 percent higher than the previous year. Most of the increase was in nonjoint meeting cases, which require only informal mediation.

Wages continued to head the list of issues involved in FMCS joint meeting cases, followed by pensions and insurance, contract duration, and vacations and holidays. The number of joint mediation cases rose only 1 percent, and the continuing increase in public sector cases accounted for all of the rise.

PUBLIC SECTOR cases have grown from 47 in 1970 to 1,010 last year, and now account for 10 percent of its caseload, FMCS said.

The agency's arbitration activity increased during fiscal 1980, with a 10 percent rise in requests for arbitration panels. There were a total of 7,539 arbitration awards, and the overwhelming majority involved disputes over interpretation or application of existing contracts. The average elapsed time in arbitration cases was 243.7 days, a slight decrease from the previous year.

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Inequities Assailed in Slashes Of Jobless Pay for Retirees

Workers entitled to unemployment compensation should not have their benefits reduced because they are receiving a pension from their previous employer or are drawing social security payments, the AFL-CIO urged at House hearings.

That's one of a number of inequities in the unemployment insurance program that Congress should remedy, AFL-CIO Social Security Director Bert Seidman told a House Ways & Means subcommittee headed by Rep. Harold E. Ford (D-Tenn.).

SEIDMAN, accompanied by Associate Legislative Director Robert McGlotten, also protested denial of unemployment compensation to persons leaving the armed services after completion of an enlistment. That's one of the restrictions Congress imposed earlier this year as part of its budget-cutting package.

On the pension offset issue, Congress last year modified a harsh provision that was to have taken effect Mar. 31, 1980. But major inequities remain, Seidman said.

Persons whose pensions are paid by their last employer for work during the "base period" on which the unemployment compensation benefit is computed have their entitlement reduced dollar-for-dollar by the amount of their pension. In the case of a contributory plan, states may make an allowance for the worker's payment into the pension plan, but do not have to do so.

SEIDMAN PROTESTED that the offset provision imposes a "means test" for unemployment insurance that applies only to pension income and not to other non-wage income.

"It does not recognize that retirement, in many cases, is involuntary," he stressed. Workers who are forced to retire for such reasons as plant closings, plant relocation or layoffs should receive full unemployment benefits while seeking other employment, Seidman said. At the least, he urged, states should be required, not merely allowed, to take into account contributions workers made to their pension benefits.

In another area, Seidman protested a provision that exempts farm employers from paying unemployment insurance tax on the wages of alien workers admitted to the country for temporary employment.

"THIS EXEMPTION has created a competitive disadvantage for U.S. agricultural workers by providing an incentive to hire aliens when thousands of domestic farmworkers are unemployed," he noted. Employers can avoid both the unemployment and social security taxes by switching to alien workers, Seidman pointed out.

Other inequities the AFL-CIO urged be corrected include exclusion from unemployment compensation coverage of workers on fishing boats who receive a share of the proceeds of the catch instead of wages, and the exclusion of students over 21 whose employment is part of a work-study program.

Halting Flow of Illegal Aliens Called Vital to Amnesty Plan

The AFL-CIO called for "effective action to stop illegal immigration" as a prelude to a "generous" amnesty policy that would make U.S. citizenship possible for undocumented aliens "who have become part of the American community."

In testimony at Senate hearings, Federation Economist Markley Roberts expressed the labor movement's understanding of the desire for a better life that has brought so many people across America's loosely controlled borders, and its concern for the impact on the U.S. economy.

"TOO OFTEN," he noted, "unscrupulous employers prey upon these newcomers, forcing low wages and substandard working conditions upon them in an atmosphere of fear and intimidation with the threat of deportation. Such exploitation undermines wages, working conditions and job opportunities for U.S. citizen workers."

Roberts said the AFL-CIO rejects the concept of "mass deportations" and favors citizenship opportunities, with fewer obstacles than the Administration plan would impose, "for individuals who presently have a strong attachment to this country."

Under the uncertain second-class status offered by the Administration plan, he cautioned, illegals "will be far less likely to register with the Immigration & Naturalization Service, will be far more likely to continue in an illegal work status, and thus will be far more likely to continue to undermine . . . working conditions and opportunities."

Roberts stressed, however, that "the legalization process should not begin until the massive flow of illegal aliens into the United States has been stopped. Otherwise, the legalization process would simply encourage additional flows of illegal aliens."

THE AFL-CIO favors reunification of families, a humanitarian policy toward refugees and safeguards for American workers as "essential components" of a long-term immigration policy, he testified.

"There is a need to absorb the full effect of a decade of large-scale legal immigration and refugee flow and to regularize the status of illegal alien residents and their relatives before increasing the present levels of legal immigration," he urged.

In separate testimony before a House subcommittee, Roberts expressed the AFL-CIO's opposition to any weakening of the present requirement for Labor Dept. certification that persons admitted into the United States to work, either temporarily or permanently, will not adversely affect wages and working conditions of American workers.

Warning Served Against Trading Jobs for Exports

Discrimination by foreign countries against services provided by U.S. firms should be dealt with on a bilateral case-by-case basis, AFL-CIO Research Director Rudy Oswald told a Senate panel.

Multinational negotiations, involving broad tradeoffs and concessions, are inappropriate and could result in losses of U.S. jobs in return for concessions to American firms operating overseas, he warned.

Oswald's testimony came on a bill calling for a government study on steps to promote export opportunities for U.S. service industries.

"The United States cannot and should not negotiate away the jobs of service employees or let them be exported, as manufacturing jobs and service jobs in the past have been exported," Oswald said.

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Reagan's Policy Failure Cited as Slump Deepens



THE AFL-CIO SUPPORTS legislation to impose tougher penalties on corrupt union officials who betray the trust of workers, Federation President Lane Kirkland testifies at Senate hearings. With him are Legislative Director Ray Denison, left, and AFL-CIO Special Counsel Laurence Gold.

Signs Point To Further Weakening

By James M. Shevis

The sharp 2.7-percent drop in the government's September index of leading economic indicators, a measure of future economic activity, confirms that the nation is in a recession and that conditions will worsen, the AFL-CIO warned.

"More ominous, however, is the fact that the Administration has nothing in the works—or even on the drawing board—to stop the downturn and prevent high interest rates from continuing to undermine the economy and destroy jobs," observed Rudy Oswald, director of the federation's Dept. of Economic Research.

"THE ADMINISTRATION'S policies are a failure and must be overturned and replaced by a direct attack on unemployment and inflation," Oswald declared.

President Reagan has endorsed the Federal Reserve Board's tight-money policy, which is ostensibly designed to reduce inflation but has instead resulted in the country's eighth business-cycle recession since the end of World War II.

The day after the Commerce Dept. announced the plunge in the index of leading indicators, the steepest since a 4-percent drop in April 1980, the Federal Reserve cut its discount rate from 14 to 13 percent in a move that could accelerate the slide in short-term interest rates. The discount rate is the interest rate the Fed charges member banks for loans.

THE DISCOUNT rate cut marked the first significant easing of credit in over a year and was expected to lead to lower prime rates in the banking industry.

(Continued on Page 3)

Kirkland Cites Betrayal of Trust

Stiffer Penalties Backed To Combat Corruption

By David L. Perlman

The AFL-CIO endorsed legislation to toughen federal penalties against corrupt union officials as both good for the nation and in the "best interests" of the trade union movement.

AFL-CIO President Lane Kirkland went before the Senate's Permanent Subcommittee on investigations to give high marks to a bill introduced by Sen. Sam Nunn (D-Ga.) which would crack down harder on union officials who take employer payoffs and on employers who bribe union officials.

AS FAR AS the trade union movement is concerned, Kirkland made clear, betrayal of the trust workers put in their unions is a heinous wrong. Racketeers who prey on unions "are our natural enemies," he said.

Kirkland endorsed, "with two narrow exceptions," provisions in the Nunn bill that would strengthen the existing disqualification from union or pension fund responsibility of persons who have abused their posts for personal gain. A section of the bill which the AFL-CIO does support would require removal from union or pension office after conviction of a serious crime instead of waiting until all appeals have been exhausted. If a conviction is reversed, reinstatement to office would include lost pay.

Disqualification provisions in existing law already go beyond penalties against comparable offenses in the business world, Kirkland noted. But "the morals of the marketplace will not suffice" for the trade union movement, he stressed.

"UNION OFFICE is a calling, not a business," he insisted, and those who enter it "are, and should be, held to a higher standard."

A union officer who "takes an employer payoff for a substandard contract" or "pilfers from the union treasury" tarnishes the entire trade union movement, he testified.

In fact, Kirkland noted, "every measure shows that the integrity and dedication of union officers, as a group, is superior to that of other groups."

But "the labor movement is not perfect," and "can only be strengthened" by getting rid of crooks.

KIRKLAND SPOKE frankly of the AFL-CIO's "perplexing problem" of whether, to avoid government interference with an autonomous trade union structure, "we should attempt to run a full scale private law enforcement scheme parallel to

(Continued on Page 7)

Speakers Set On Key Issues At Convention

The AFL-CIO's centennial convention will be addressed by political and civil rights leaders, by public figures from a variety of fields, and by representatives of the Free World's trade union movement.

Delegates will represent some 15 million members of 102 affiliated unions, and the AFL-CIO's state and local central bodies. The convention will open at the Sheraton Centre Hotel in New York at 10 a.m. on Nov. 16, just 100 years and one day after the Pittsburgh convention that gave birth to the Federation of Organized Trades & Labor Unions.

FROM THE political sector, convention speakers will include former Vice President Walter F. Mondale, House Speaker Thomas P. O'Neill, Jr., and Sen. Edward M. Kennedy.

Benjamin L. Hooks, executive director of the NAACP, will address the convention, as will Eleanor Smeal, president of the National Organization for Women, and Henry Lacayo, president of the Labor Council for Latin American Advancement. The Rev. Theodore M. Hesburgh, the University of Notre Dame president whose most recent government role was chairman of the Select Commission on Immigration & Refugee Policy, will also be a speaker.

Entertainer Danny Thomas will appear as the recipient of the AFL-CIO's Murray-Green-Meany Award for community service.

INTERNATIONAL speakers will include Otto Kersten, general secretary of the International Confederation of Free Trade Unions; Canadian Labor Congress President Dennis McDermott, and Tom Jackson, fraternal delegate from the British Trades Union Congress.

The call to the AFL-CIO's 14th constitutional convention stresses the challenge the nation's labor movement faces from "a business-oriented Administration" that is seeking to impose "radical changes in America's social and economic structure."

The task of the delegates, the call declares, is to shape "programs and policies around which workers and all Americans who believe in freedom, democracy and the public interest can rally in the hard struggle that lies ahead."

It's up to the trade union movement to provide leadership, the convention call affirms.

Lech Walesa, the leader of the Solidarity labor federation in Poland since its inception 14 months ago, had been invited to accept labor's first George Meany Human Rights Award on behalf of Solidarity at the AFL-CIO convention. But, in a cable to Federation President Lane Kirkland, Walesa said he was forced to cancel his visit.

"I have much counted on the possibility of our mutual talks," Walesa said. "In the present situation, I find it impossible to leave Poland even if only for a very short period."

Labor Dept. to Eliminate Reports on Real Earnings

The outlook for an improved system of collecting and processing labor force data dimmed following Labor Sec. Raymond Donovan's rejection of several key proposals recommended by the AFL-CIO and a blue-ribbon federal panel.

Citing budgetary restraints as the controlling factor in postponing or ruling out some revisions of data, Donovan contended in a report to Congress that while some recommendations of the nine-member National Commission on Employment & Unemployment Statistics were meritorious, others were not feasible at this time.

AMONG THE programs caught in the Reagan Administration's budget squeeze is the Bureau of Labor Statistics' monthly report on "real" spendable earnings, which Donovan proposes to eliminate altogether. The presidentially-appointed panel had recommended a new quarterly earnings series based on an expanded survey. Real spendable earnings, or income stripped of taxes and the impact of inflation, measure purchasing power.

In turning down the NCEUS's recommendation, Donovan cited problems in achieving the appropriate sample size and adjustments for tax deductions that are compatible with earnings data.

The decision to eliminate the series reverses the stand taken by former Labor Sec. Ray Marshall who, in an interim report on NCEUS's recommendations, proposed changes in the data base and directed BLS to develop a new real spendable earnings index.

(Continued on Page 2)

1981 Settlements Produce Average Pay Gain of 11.5%

Major collective bargaining contracts negotiated in the first nine months of 1981 provided for wage increases averaging 11.5 percent in the first year of the agreement and 9.3 percent a year when averaged over the term of the agreements, the Bureau of Labor Statistics reported.

The increases compared with boosts of 9.2 percent in the first contract year and 7.8 percent over the life of the contract when the same parties previously bargained—on average, about 32 months ago.

THE SETTLEMENTS reached during the first nine months of 1981 covered 1.5 million workers in 418 bargaining units of at least 1,000 workers. The settlement data exclude possible wage adjustments under cost-of-living provisions.

Agreements in the construction industry covered 38 percent of all workers un-

(Continued on Page 8)

Labor Dept. to Scrap Reports on Real Earnings

(Continued from Page 1)

The study commission reported its recommendations on Labor Day 1979. The law that established the panel required the Labor Secretary to comment on disposition of its recommendations within two years. Other major proposals ruled out by Donovan included one that would have doubled the size of the government's monthly sampling of households to improve the accuracy of state and local jobless statistics.

The panel, whose members included AFL-CIO Research Director Rudy Oswald, was chaired by Sar A. Levitan of George Washington University's Center for Social Policy Studies, who warned that by refusing to implement the commission recommendations Donovan "places public trust in labor force statistics in jeopardy." Levitan added:

"Our labor force data system appears to be in for some tough times. There is a major difference between rational budget constraints and the starvation diet offered by Sec. Donovan. The irony is that the latter in the long run will wind up costing us more money than the former."

IN THE PANEL'S 1979 report, Oswald argued that one important reason for continuing the spendable earnings series is to maintain the historic continuity of gross and spendable average weekly earnings of private-sector workers in current and constant dollars going back to 1947.

"Real spendable earnings provide useful and reasonable measures of trends in earnings-related welfare after deduction of federal income and social security taxes," he said.

Furthermore, the current series uses "hard" payroll data which are easily and quickly calculated monthly "and thus are available on a more timely basis" than the quarterly earnings report that the panel had proposed, Oswald said.

One of the panel's 88 formal recommendations accepted by Donovan was a proposal to include military personnel in the labor force for the first time. Their inclusion—limited to armed forces stationed in the United States—will begin early in calendar year 1983, the Labor Dept. said.

THE DRAFT was the primary reason for excluding the military from the nation's jobs data. With the change to a volunteer system, however, the panel reasoned that armed forces members should no longer be excluded from the labor force since they compete in the same labor market as other workers. "Individuals are free to choose between employment in the military or the civilian sector," the NCEUS said two years ago.

At the time, Levitan said that counting the 1.4 million U.S.-based military personnel in the labor force total would reduce the national jobless rate by about one-tenth of 1 percent.

Donovan also accepted the panel's recommendation on the designation of "discouraged" workers—those who have given up looking for work because they believe that employment for them does not exist. The panel urged, and Donovan agreed, that criteria for the number of discouraged workers should be changed to add the stipulation that they must have looked for work sometime during the preceding six months.

BLS PUBLISHES the figures on discouraged workers quarterly and will continue to exclude them from the official jobless count.

Oswald disagreed with the NCEUS recommendation on discouraged workers, saying that their inclusion in the labor force count would "shed real light on many labor market related events."

Volkswagen Pact Sets Parity With General Motors

New Stanton, Pa. — Workers at the Volkswagen of America car assembly plant here approved a new 16-month contract that will bring the company's pay scale into basic conformity with that of General Motors Corp.

Ratified by a vote of 1,981 to 1,502 among members of Auto Workers Local 2055, the pact increases the average assembler's wages by 50 cents an hour, bringing it to $11.26 immediately. An additional 10-cent-an-hour increase will be paid next June.

VOLKSWAGEN ALSO agreed to continue making quarterly cost-of-living adjustments and, beginning in March 1982, to revise the COL formula to provide higher payments later on. Adjustments currently follow the formula of one cent an hour for each rise of three-tenths of a point in the consumer price index. The new formula will provide one cent for each .26-point rise in the CPI.

The firm also agreed to raise wages by an amount equal to any annual improvement factor negotiated by the Auto Workers at General Motors. The GM contract is up for renegotiation next September.

Local 2055 President Richard Ferchak said "we're satisfied with the agreement. We've gained parity with most of the General Motors plants with the new hourly wage." About 4,600 workers are covered by the contract, the second agreement ever negotiated at the VW assembly plant.

VW ALSO agreed to add $1 million to the UAW fund that pays supplemental unemployment benefits to laid-off workers and improved health and life insurance benefits to employees. There is no pension plan at the Volkswagen plant.

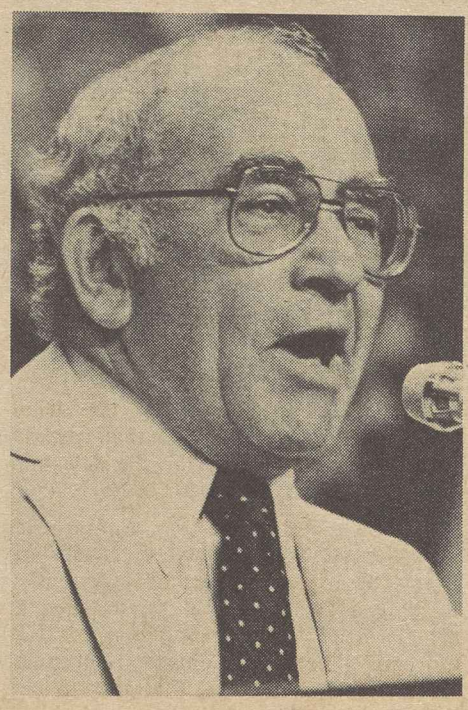
Workers will gain two new paid holidays under the contract—the first day of the deer hunting season, Dec. 1, and one other day during the season.

The short contract duration—the pact expires on Mar. 7, 1983—is designed to enable the parties to negotiate a master contract in 1983 for all three VW plants in the United States.

CLUW Convention Postponed to 1982

New York—The Coalition of Labor Union Women postponed its Nov. 5-8 convention in Los Angeles rather than ask delegates to use the airlines during the air traffic controllers' strike.

CLUW President Joyce Miller, an AFL-CIO vice president, said she hoped President Reagan would realize that his "stubborn refusal to bend" in the dispute between the Professional Air Traffic Controllers Organization and the Federal Aviation Administration has led to economic hardships for PATCO members and airline industry workers.



EDWARD ASNER

Screen Actors Elect Ed Asner New President

Hollywood, Calif.—The Screen Actors Guild elected Edward Asner president of the 50,000-member union over incumbent William Schallert in national mail balloting.

Asner, the star of the "Lou Grant" weekly television series, received 9,689 of the 18,632 votes cast in the three-way contest, according to final results released by SAG election auditors.

SCHALLERT, who was seeking reelection to a second two-year term, received 7,188 votes and Morgan Paull garnered 1,197.

Asner will begin his two-year term Nov. 9. He has not previously held office in the union. An issue in the contest was the current SAG contract with motion picture producers, which was negotiated last year to end a 13-week strike. Asner had opposed ratification of the settlement, which Schallert had endorsed as president.

Although losing the SAG presidency, Schallert was elected to a three-year term on the union's executive board representing the Los Angeles area.

Board members are elected on a local or regional basis. Forty-five candidates were vying for the 14 board seats open for election this year.

IN CONTESTS for two other national offices, Sumi Haru was elected recording secretary over incumbent Philip Sterling by a vote of 8,799 to 8,109, and Peter Haskell defeated Yale Summers for treasurer, 9,321 to 7,190. Haru and Summers were on Asner's slate.

SAG reported that partial returns from branches showed that Kent McCord was elected first vice president, Ron Soble third vice president, Marvin Kaplan ninth vice president and Jessica Walter eleventh vice president.

Building Trades Pledge Fight On Davis-Bacon Tampering

The Reagan Administration is counting on the regulatory changes it has initiated to lower prevailing wage levels on government-funded construction and is not seeking outright repeal of the Davis-Bacon Act.

That's the gist of the response by President Reagan and Labor Sec. Raymond J. Donovan to a letter sent to the President last month by leaders of building trades unions.

THE LETTER to Reagan was part of a continuing effort by the AFL-CIO Building & Construction Trades Dept. to counter attacks on the 50-year-old Davis-Bacon Act, which employer groups and conservatives in Congress have tried to paint as inflationary.

It reminded Reagan of his election campaign commitment to oppose repeal or weakening of the Davis-Bacon Act and protested "penny-wise and pound-foolish" administrative changes that the Labor Dept. has proposed.

"Tell your leaders in Congress, the Labor Dept., and the Office of Management & Budget that Ronald Reagan is an honorable man who keeps his word," the letter urged. "Tell them to stop tampering with Davis-Bacon."

Its signers included BCTD President Robert A. Georgine, Sec.-Treas. Joseph F. Maloney and presidents of the department's 15 affiliated unions.

REAGAN WROTE Georgine that Donovan would "respond directly" to the letter. But Reagan added that he could assure the building trades leaders "that I will continue to support my campaign pledge to not seek repeal" of the Davis-Bacon Act.

A few days later, speaking to the board of directors of the Associated General Contractors, Donovan made clear that the Administration was not backing down on regulatory changes that building trades unions charged would "gut" the prevailing wage law.

Donovan told the employer group that the proposed changes will bring down wage costs on government contracts and urged that both contractors and unions accept that "compromise."

Although the phrase was not in his prepared speech, a Bureau of National Affairs report on the meeting quoted Donovan as telling the contractors that the Davis-Bacon Act will not be repealed "during the first Administration."

In an Oct. 21 speech to the Building & Construction Trades Dept. convention, Donovan further defended the changes in Davis-Bacon regulations and added, "We had to fight hard just to hold the line against repealing the law in toto."

THE LABOR DEPT. has received comments on its proposed changes in Davis-Bacon Act regulations from interested parties, but has not yet issued the regulations in final form.

Meanwhile, the open-shop segment of the construction industry has been conducting a major lobbying campaign for Senate approval of a military construction bill that would exclude all defense construction from the prevailing wage requirement.

The public relations campaign launched by the building trades, including press kits and broadcast material, seeks to "clear up confusion" about the nature of the law, Georgine said, and demonstrate its value to both the construction industry and the nation.

Article XX Sanctions Placed On Broadcast Employees

AFL-CIO President Lane Kirkland has notified all affiliates that the National Association of Broadcast Employees & Technicians has been found to be in non-compliance with the decision of an impartial umpire under the AFL-CIO's internal disputes procedures and is therefore subject to sanctions under the federation's constitution.

The finding was reached by a subcommittee of the AFL-CIO Executive Council consisting of Sec.-Treas. Thomas R. Donahue and Vice Presidents Kenneth T. Blaylock and Dan V. Maroney.

The finding, Kirkland said, followed the refusal of NABET "to withdraw from a raid at NBC."

IN HIS notification to affiliates, Kirkland said the union, effective Oct. 27, 1981, would be subject to the following provisions of Section 15 of Article XX of the AFL-CIO Constitution:

"1. The non-complying affiliate shall not be entitled to file any complaint or appear in a complaining capacity in any proceeding under this article until such non-compliance is remedied or excused as provided in Section 16;

"2. The federation shall, upon request, supply every appropriate assistance and aid to any organization resisting the action determined to be violation of this article;

"3. The federation shall appropriately publicize the fact that the affiliate is not in compliance with the constitution;

"4. No affiliate shall support or render assistance to the action determined to be in violation of this article."

In addition to NABET, the following unions are currently in non-compliance with an impartial umpire's decision: the International Typographical Union and the Graphic Arts International Union.

Index Points To Deepening Of Recession

(Continued from Page 1)

But the high rates have already taken their toll on the economy, particularly the housing and auto industries. The Commerce Dept. reported that sales of new single-family houses plunged by 12.6 percent in September to their lowest level on record, and sales of domestically produced cars are scraping the bottom.

The decline in the leading indicators index was the fourth in the last five months. White House spokesman David Gergen said Reagan's aides agree that the latest figures are "further evidence of a recession," but continue to believe that the recession will be "mild."

THE INDEX'S decline was paced by a sharp drop in the length of the average workweek and negative readings in seven other categories. The others were the layoff rate, new orders, vendor performance, contracts and orders for plant and equipment, building permits, stock prices, and the money supply. The change in crude-materials prices was the only indicator that increased. Total liquid asset levels remained unchanged.

Evidence of the economic slump also appeared in a series of other Commerce Dept. reports. Durable goods orders, a bedrock of employment, were down 1.8 percent in September. Construction expenditures for September were down four-tenths of 1 percent, and without government construction included the decline would have been 1.5 percent.

Inventories which grow fatter when demand falls, went up 1.1 percent in September, the most since February. And capital spending outside of defense-related business fell 8 percent over the month, the most since February and the fourth month of decline this year.

THE NEW-HOME sales figures for September were the latest in a long line of increasingly dismal statistics on the housing industry, which is in its longest and deepest slide of the postwar era. The annualized rate of sales for September was 312,000 homes, significantly below the previous low point in April 1980, and a 45-percent drop from the year-earlier.

Meanwhile, the Bureau of Labor Statistics reported that productivity in the nation's businesses, excluding farms, dropped at a seasonally adjusted annual rate of 2.2 percent in the July-September quarter, after rising 1.4 percent in the previous quarter.

Steel Union Curb On Outside Funds Slated for Review

The Supreme Court has agreed to review an appellate court decision nullifying a section of the Steelworkers constitution that deals with funding of union election campaigns.

At issue is the provision adopted by the USWA's 1978 convention prohibiting candidates for union office from obtaining campaign contributions from outside groups and from individuals not members of the union.

The Court of Appeals for the District of Columbia held last April that the curb on contributions violated Landrum-Griffin Act guarantees of rights of union members.

USWA President Lloyd McBride welcomed the Supreme Court's granting of the union's petition for review. McBride said the 1978 amendment had been adopted to assure that union officers "are beholden only to the members of the union and not to corporations and wealthy contributors."

The legal challenge was brought by Edward Sadlowski, who ran unsuccessfully for president in 1977, losing to McBride. Contributions to the Sadlowski campaign from outside groups and individuals were an issue in the election.



CONTINUING REVIEW of conditions in the world's iron and steel industry aimed at reducing work time and improving safety was endorsed at a 10-day International Labor Organization conference in Geneva. U.S. worker delegation included, from left, Steelworkers Legislative Director John J. Sheehan, Vice President Joseph Odorcich and District 28 Director Frank Valenta. President Carl W. Studenroth of the Molders and USWA International Affairs Director Francis X. Lunney were also in the delegation.

ILO Steel Panel Focuses On Work Hours, Training

Geneva—A continuing review of the possibility of further cutbacks in working hours in the iron and steel industry was urged at a conference here of the International Labor Organization.

Industry as well as government representatives joined trade unionists from industrialized and developing countries in calling for the "periodic examination" of possible reductions in the normal workweek as well as longer paid vacations.

THE IMPROVEMENT of working conditions in the iron and steel industry generally and the assurance of adequate training for workers in developing countries where this industry is at an early stage were the main subjects of the 10-day session.

The 27 nations represented by tripartite delegations of worker, employer and government representatives account for 85 percent of the industry's world output, according to the ILO.

The calls by the conference for reductions in workloads and for the use of modern techniques to promote job safety and a better working environment were "two important steps," Joseph Odorcich, vice president of the Steelworkers, said of the discussions.

ODORCICH AND Carl Studenroth, president of the Molders & Allied Workers, were the U.S. worker delegates at the session, the 10th of the ILO's iron and steel committee. They were backed up by the Steelworkers' International Affairs director Francis X. Lunney, Legislative Director John Sheehan, and District 28 Director Frank Valenta.

Studenroth, who was a member of the committee on worker training in the developing countries, said trade unionists from the industrialized states stressed the importance of union, employer and government cooperation at all levels to assure that workers can attain the skills required for the jobs to be filled.

"The problems we discussed were not of direct concern to us," Studenroth observed, "but we gave the developing countries the benefit of our experience so that they can learn from our mistakes."

On the questions of safety and health, the conference noted that automation and mechanization have reduced some of the industry's hazards, but have introduced at the same time new threats to the well-being of workers.

FOR THIS reason one of the unanimous recommendations was that continuing emphasis be placed "on the detection, analysis and elimination of hazards."

Odorcich, who was the worker vice chairman of the committee on health and safety, described the recommendations as forming a "code" to be disseminated by the ILO. While this represented forward movement, he said, "continuous pushing" would be required to see that governments and employers live up to the moral obligations they have accepted.

"Free collective bargaining," the conference said in a resolution, should be used to "attain better, safer and healthier working and living conditions."

California Student Group Endorses Coors Boycott

Riverside, Calif.—The Graduate Student Council of the University of California's Riverside campus has endorsed labor's boycott of Coors beer.

Ron Balestrieri, president of the 1,300-member student association, said the GSC voted to boycott all products made by Adolph Coors Co. and urged student associations at other University of California campuses to do likewise.

The AFL-CIO Executive Council sanctioned the Coors boycott in April 1977 after members of the Brewery Workers Directly Affiliated Local Union 366 struck the Golden, Colo., brewery.

House Panel Rejects New Pension Cuts

The House Ways & Means Committee rejected a subcommittee proposal that would have cut back future social security benefits and pushed up the "normal" retirement age.

It then cleared the way for a conference with the Senate on restoration of the minimum social security benefit of $122 a month, which Congress eliminated earlier this year by adopting intact a Reagan Administration budget proposal.

SINCE THEN, the House voted overwhelmingly to restore the minimum benefit. The Senate voted to restore the minimum for some, but not all, beneficiaries. The Senate bill also provides for shifting revenue among the various social security trust funds to alleviate short-range funding problems.

A Ways & Means subcommittee headed by Rep. J. J. Pickle (D-Tex.) had advanced a less drastic reduction of future social security benefits than the Administration had initially sought as a means of averting a funding crunch. Republicans on the committee supported the measure, but House Democratic leaders made clear their opposition and it was beaten on an 18-14 vote.

It would have pushed the normal retirement age from 65 to 66, with an incentive to wait until a later age. It also would have lowered the benefit formula for future retirees and reduced future cost-of-living increases.

EARLIER IN the week, Senate Democratic Leader Robert C. Byrd (W.Va.), obtained a 72-0 vote for a resolution declaring the opposition of Congress to any taxation of social security benefits.

Byrd said the Republican staff of the Senate Budget Committee had included such a plan as an option for raising revenue.

The resolution was attached to a bill extending the Older Americans Act for another three years, which the Senate passed unanimously.

State Compensation Systems Neglecting Disease Victims

State compensation programs should be reconstructed "from the ground up" to meet the needs of occupational disease victims, the Workers' Institute for Occupational Safety & Health told a House Labor Standards subcommittee.

Warren J. Smith, secretary-treasurer of the Ohio AFL-CIO and chairman of the Workers' Institute, charged that the programs are severely shortchanging workers who have been disabled by toxic substances on the job.

"THERE IS NOT now, and never has been, a system of compensation in this country for occupational disease victims," Smith said in calling for a complete overhaul of the system. He said existing state programs can't be adequately patched up to make them workable.

Most of the heavy cost of occupational disease—running into billions of dollars each year—now must be borne by the social security system and workers themselves, Smith observed.

Using data compiled by the Labor Dept. for a report to Congress, the Workers' Institute estimated that the social security system expended $2.4 billion for victims of job-related disease in 1980. Of that amount, $1.9 billion came from the Social Security Disability Insurance fund and an additional $500 million was paid out for medical care.

Subcommittee Chairman George Miller (D-Calif.) said that social security's costs for occupational disease could approach $3 billion a year.

EVEN BY conservative estimates, Miller said, the amount social security paid disabled workers last year far exceeded the system's $1.1 billion shortfall in revenues.

Rather than charging the costs to employer-paid compensation programs, Miller observed, other sources of funds are used. The result, he said, is that taxpayers must subsidize hazardous industries.

About half the workers disabled by occupational disease rely on social security as a major source of income, Smith said.

While payments for victims of occupational disease are virtually nonexistent, Smith charged that the insurance industry has been reaping huge profits from workers' compensation premiums.

Another problem victims of occupational disease encounter is discrimination in hiring when they try to find a new job, Smith testified. He told the panel that some employers are using computer service firms to screen out workers who had been disabled by job-related diseases.

WHILE THE labor movement is vitally interested in assuring compensation for victims of industrial disease, its primary goal is to prevent the job-related illnesses from occurring, Smith said. And it views "with great alarm" recent actions of the Reagan Administration aimed at weakening safety and health standards.

One of the victims of the Administration's policies is the Workers' Institute itself, which had its Labor Dept. project grant funds abruptly cut off in August.

The institute was set up in 1979 by the AFL-CIO, the Industrial Union Dept., several state federations and a number of unions as a demonstration project to assist disabled workers in filing for workers' compensation benefits.

Dodging Ballot Bullets

GOVERNMENT BY referendum, in states that allow legislative issues to be put on the ballot through petitions, is a high-risk system of lawmaking.

Granted, an occasional good piece of legislation may result. But more often a proposal considered and rejected by the legislature will be put before the voters in a deceptive package, backed by a media advertising blitz.

Too often, such tactics have been successful.

That was the danger, this year, in a proposed amendment to the state constitution that had been put on the Ohio ballot by a group calling itself the Committee for Free Enterprise Constitution. Its "free enterprise" proposal was to abolish the state's economical and impartial exclusive workers' compensation insurance system and throw the business open to private firms. The insurance companies that would profit liked the idea so much that they put up a multi-million dollar campaign kitty.

THERE WAS EVEN graver danger in a proposal on the District of Columbia ballot—courtesy of the local affiliate of the right-wing National Taxpayers Union.

It offered the seemingly irresistible lure of an education tax credit of up to $1,200 per pupil that could be used for the private school of one's choice. It would have meant the demise of public education in the nation's capital. Apart from the many other sound arguments against such a scheme, the fact is that the city simply could not afford to give away huge sums in tax credits and still fund a viable public school system.

Fortunately, the attacks were turned back in both D.C. and Ohio, thanks in large part to a massive effort by labor and its allies.

All this is good news, and a tribute to the trade union movement. But legislating by referendum is still no way to run a government.

Truly Gritty

A RECENT ISSUE of the Wall Street Journal brought home vividly the human impact of the Reagan Administration's savage budget cuts.

It told of the case of "Mary D.," identified as a store clerk who was the sole support of her two children, and who had been getting a $169-a-month welfare check to supplement earnings of $520 a month.

On Oct. 1, the Journal related, the welfare supplement was ended—"a casualty of federal budget cuts sought by President Reagan and approved by Congress last summer."

But "Mary D. has grit," and the news story relates that to avoid becoming a full-time "welfare mother," she is prepared to take a second job as a waitress.

"IT WILL MEAN leaving home at 8:15 a.m., as usual, but not returning until midnight; it will also mean hiring a baby sitter," the article continues. Then it adds:

"The Reagan Administration is hoping that most working mothers will share Mary's determination to stay on the job and get along without federal-state Aid to Families with Dependent Children."

So much for the Administration's promised "safety net."

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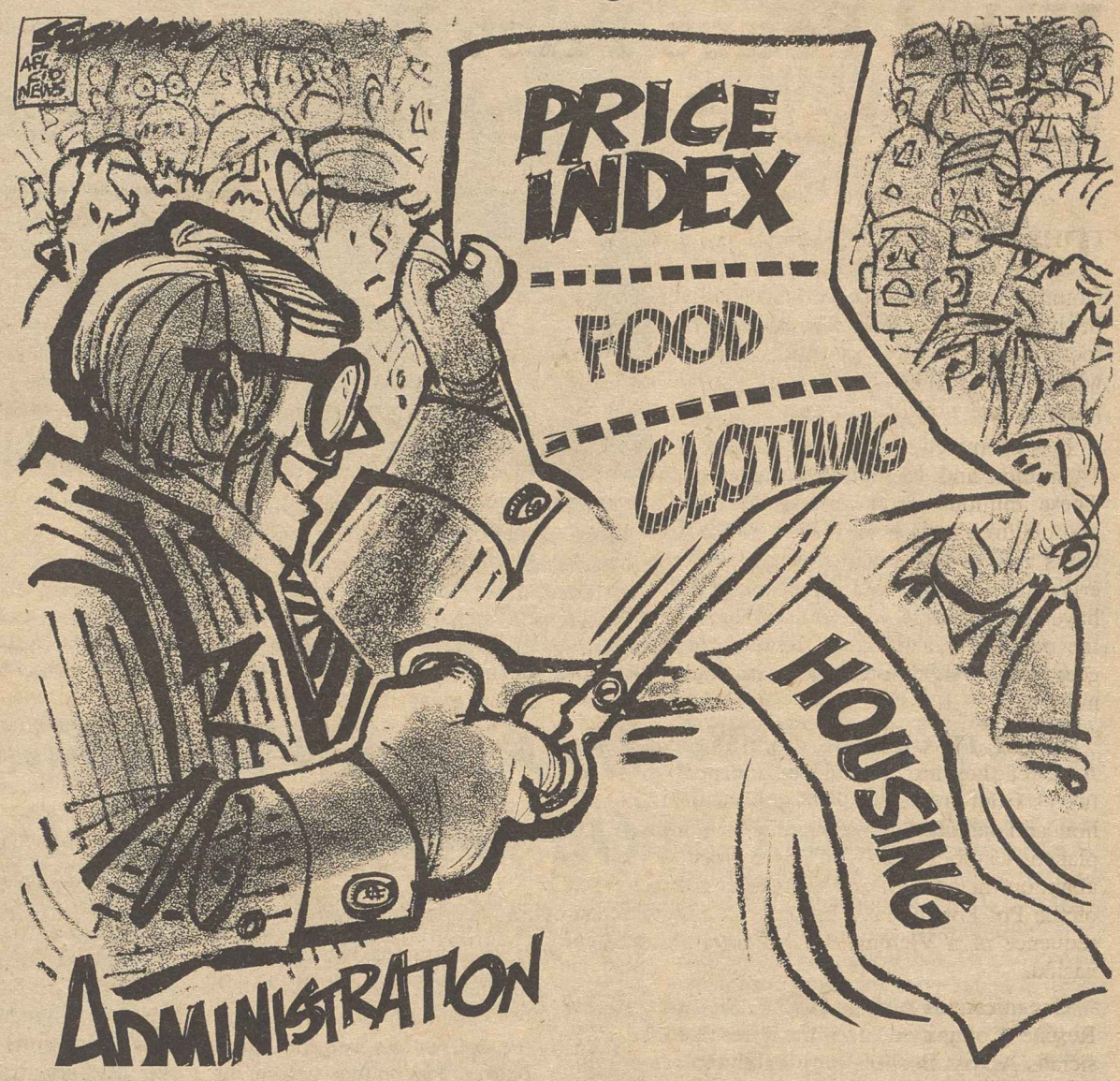
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'See? It No Longer Exists!'



Growth Lag Started in '70s

Current 'Certified' Recession Continues Decade-Long Slump

By Gus Tyler

SO NOW WE ARE officially in a recession. It is "official" not only because the President of the United States says that we are in a "slight recession," but because the slump in the third quarter of 1981 fits into the certified definition of a "recession."

Formally, a recession exists when the gross national product (the sum of all goods and services in the country) goes down in two successive quarter years. By the count, the GNP went down 1.6 percent in the second quarter (April-June) and then sank by another .6 percent in the third-quarter (July-September).

NOW, JUST WHY two bad quarters—not one, not three or four, but two—should constitute a recession, nobody knows. Somebody somewhere at sometime made up the definition and now it is officialese.

The truth is that we have been in a "recession" through the entire 1970s, although only the period 1974-75 was so designated officially. From 1969 to 1979, the average annual growth rate was under 3 percent.

That's a "recession" when stacked up against what our growth rate could have been and would have been if we had not decided that it was desirable to check growth. To take an example from the world of baseball: if a man has a batting average of .300 for a season and then runs into a couple of weeks when he is batting only .150, we say he is in a slump, even if he does get a hit now and then.

LIKEWISE, WHEN the American economy, which was hitting a growth rate of about 5 percent a year under Truman and about 5.5 under Kennedy and Johnson, drops to less than 3 in the 1970s, the economy is in a slump. We are not living up to our potential.

The White House is distressed, of course. There is an election coming up exactly a year from now. The Administration promised an economy that was up and up, and now it seems to be going down and down.

But not everybody around the President is unhappy. The Secretary of Commerce, Malcolm Baldrige, says that he thinks a recession may have its virtues, despite the pain. "A slight recession, I think, is almost necessary now," he told the press.

THE THEORY behind this thinking—if that's what it is—is precisely what put us in our present predicament to begin with. The notion is that a recession brings down prices, checks inflation.

But if Baldrige just looked at what happened to prices in the two recession quarters, he would have found that as the GNP shrunk, prices did not fall, they rose—at an accelerated rate: from 7.2 percent in the first quarter to 7.9 in the second and to 9.2 (nearly double-digit) in the third.

The lesson of history is clear from the last two quarters and from all of the '70s: Recessions do not make for lower prices. But as Heinrich Heine said: "We learn from history that we don't learn from history."

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Black Unionism Best Hope for South Africa

Apartheid negates the fundamental principles on which our society is based. It denies basic rights to tens of millions of people purely on the basis of their color. It seeks to deprive the worker of the rewards of his labor. It perpetuates the unmitigated tyranny of a minority over a majority. It has posed a long standing challenge to free societies everywhere and the time has come for us to say: "no more."

The AFL-CIO sees the development of a viable black labor movement as practically the only chance remaining to effect peaceful change in South Africa. . . .

We believe that a massive infusion of skills-training to black workers and the introduction of a more hopeful view of the quality of life in store for them will avert the final bloody confrontation which most right-thinking people wish to avert. To implement this program, however, will require the cooperation of all who wish to give peaceful change a chance.

—From AFL-CIO statement to House Foreign Affairs Subcommittee on Africa, Oct. 30, 1981.

Charity Alone Not Enough

Nobel Peace Prize Puts Focus On Shocking Plight of Refugees

By Bayard Rustin

THE AWARDING OF the 1981 Nobel Peace Prize to the Office of the United Nations High Commissioner for Refugees is an act that should be heartily applauded. The award will serve to focus world attention on an international problem which has reached epidemic proportions: the plight of the world's refugees.

It is estimated that this year there are between 14 million and 18 million refugees in the world. These millions upon millions of men, women, and children have been forced to flee their homelands as a consequence of war, disease, and poverty. Since 1980, well over one million people have fled Ethiopia as a consequence of war and the policies of a barbaric Leninist regime. Refugees from Afghanistan now number over 1.4 million.

THESE FIGURES are shocking and horrible. And yet they are dwarfed by the number of refugees from Indochina. These total over six million and include approximately four million displaced Cambodians who have been forced to abandon their towns and villages as a direct result of the Pol Pot regime's barbarism, and as a consequence of a Vietnamese and Soviet-backed invasion.

Organizations such as CARE, the International Rescue Committee, and the French-based Physicians Across Borders have exhibited remarkable skill in coordinating support for refugees the world over. Many such organizations have addressed the refugee problem without regard to political considerations and have provided charitable aid to Haitian refugees fleeing dictatorial oppression, Soviet Jews fleeing Kremlin-inspired anti-Semitism, Vietnamese boat people, and Cuban refugees fleeing Castro's prison island.

Yet the flood of refugees cannot be dealt with by charity alone. The problem must also be resolved by attacking it at its roots—the absence of democracy, the expansion of totalitarianism, and the upsurge in war. War, much of it a consequence of Soviet expansionism, and a large part of it a consequence of ultra-nationalism and chauvinism is one of the great scourges of our times. Clearly, the efforts of charitable organizations must be complemented by an American foreign policy which has as its aim the limiting of Soviet aggression and the construction of a stable and peaceful world.

THE PLIGHT OF refugees has not been alleviated by the economic difficulties that have afflicted Western Europe and the United States. It is these countries which have supplied the bulk of assistance to the poor of the world. Yet at a time when their own populations are feeling the serious effects of an economic downturn which is eroding their own standard of living, it is often difficult for many Americans and their West European counterparts to understand why massive aid to refugees is of vital importance.

Black Americans disproportionately suffer from unemployment and poverty. And some blacks have argued that we should take care of our own problems first and not worry about those of the rest of the world. Yet this, in my judgment, is a remarkably short-sighted and narrow point of view. For if America is not willing to help in relieving the plight of those refugees who are starving and near death, how can we be sure it will be compassionate enough to solve the problems which afflict our own nation's poor and working poor? It is important for blacks and all Americans to realize that suffering knows no boundaries.

Our country has historically provided a haven for the world's refugees. In part, it is their contribution which has helped to make our country great. American policy must continue to reflect this tradition. This policy must reflect the spirit of the Nobel Committee's award statement.

"REFUGEES WHO DARE not return to their native land must be given an opportunity to start a fresh life in their host country. Still more important in the long run is the work of insuring that people are not compelled to save their lives by escaping from their native land with no prospect of ever returning."

America can continue to help alleviate the plight of the world's most unfortunate. Yet America will only do so if its leaders recognize that compassion knows no boundaries and the government must play a vital role in alleviating suffering both at home and abroad.

Pressure on Delegates

GOP Scored on Bid to Control Direction of Aging Conference

AFL-CIO SOCIAL SECURITY Director Bert Seidman charged in a network radio interview that Administration operatives are putting political pressures on delegates to the 1981 White House Conference on Aging to support and promote President Reagan's policies.

Seidman, a member of the Conference Advisory Committee, cited a recent telephone survey commissioned by the Republican National Committee in which delegates were quizzed about "their political views, which political party they support, and whether they agree with President Reagan's budget cuts." He said the survey was part of a "last-ditch effort to intimidate the delegates" into supporting the policies of the Reagan Administration.

SEIDMAN SAID the Secretary of Health & Human Services had turned the delegates list over to the Republican National Committee but had refused the same information to the National Council of Senior Citizens and other organizations that represent elderly Americans who wanted to inform the delegates of thier organizations' views on issues that will come before the conference. He made these charges on Labor News Conference, the AFL-CIO public affairs program.

Seidman branded such tactics "outrageous and unprecedented" in the 30-year history of White House Conferences. These sessions have been held during both Republican and Democratic Administrations to recommend legislation and other steps to improve the lives of elderly Americans. Attempts to "manipulate the conference are entirely inappropriate," he declared.

Previous White House Conferences on Aging have made important contributions to the welfare of the nation's elderly, Seidman noted. The last conference, for example, took up the question of discrimination against the aging in employment. Earlier meetings made significant recommendations for instituting Medicare and improving social security and the Older Americans Act.

He said he had hoped that this year's conference would continue that pattern, but White House preparations for the meeting thus far have inspired little confidence.

"It just isn't being efficiently organized," Seidman said. "No information has been sent out to delegates, despite the fact that a great deal of information has been assembled by various technical committees on issues that the conference will be dealing with—retirement income, health, housing, employment, and the role of the elderly in society."

ALSO, AT THE very last minute, the conference's executive director—a Reagan appointee—has been fired and replaced by a person who did not participate in the early planning of the meeting, he noted.

Reporters questioning Seidman on Labor News Conference were Stephenie Overman of the National Catholic News Service and Robert Cooney of Press Associates, Inc. The program is aired weekly on Mutual radio.

Washington Window

By Press Associates, Inc.

WHY WOULD THE Reagan Administration want to rig and stack a national conference of elderly citizens to make it as predictable as a Soviet party congress? What would it gain by resorting to "dirty tricks?"

Those were the questions that baffled observers after the Republican National Committee admitted it financed a private telephone poll of half the 1,700 delegates to the White House Conference on Aging, which opens Nov. 30.

At a tumultuous meeting of Rep. Claude Pepper's Select Committee on Aging, RNC Chairman Richard Richards testified he obtained a list of delegates after meeting with Health & Human Services Sec. Richard Schweiker. The conference had gotten some 300 requests for the list and rejected them all, but Schweiker sprung the names for Richards.

Witnesses at the Pepper hearing said the pollsters represented themselves as calling on behalf of the White House Conference on Aging.

THE QUESTIONS were designed to learn the delegate's specific interests, degree of activism and membership in organizations. A typical question: "Concerning the budget cuts enacted by Congress earlier this year—do you think, on the whole, these cuts had to be made or not?"

Another question: "For older people who cannot care for themselves, do you think the primary responsibility for their care should rest with (a) the federal government; (b) state and local government; (c) their immediate family?"

Then this question: "Generally speaking, do you think social security benefits should be reduced the same as other government programs are being reduced, should be reduced somewhat but not by as much as other programs, or should not be reduced in any way?

Then the delegate was asked whether he or she feels "things in this country" are "going in the right direction" or "have pretty seriously gotten off on the wrong track?"

THE REACTION of delegates to these questions, according to testimony before the Pepper committee, ranged "from confusion to shock to outrage to intimidation and fear."

RNC Chairman Richards claimed the goal of his poll was to determine whether Reagan's position on elderly issues was understood by the delegates, but some delegates saw more sinister motives. They suspected the real reason was to stack committee assignments, prevent caucuses, and mute criticism of the Administration, especially on social security.

Adding to the suspicion were reports that the White House was selecting about 400 more delegates, bringing the total to about 2,200. The aim is to "pack" the conference with Reagan supporters, witnesses charged.

What is the Reagan Administration afraid of? The grassroots character of hundreds of meetings, involving many thousands of responsible elderly citizens, is so thoroughly American that it can strike terror only in the hearts of Reagan ideologues who distrust democracy.

The 1981 conference promised to be the scene for debate and recommendations on social security, health care and housing.

Apparently it was these emerging issues which caused the Reagan ideologues to panic and over react. As Chairman Pepper angrily shouted at GOP Chairman Richards: "What you were afraid of was the delegates would criticize the Reagan Administration."

Eleanor Litwak, a New York delegate who also speaks for retirees of the State, County & Municipal Employees, expressed "livid anger" at the GOP tactics. The delegates want open debate and "we do not want to be a rubber stamp," she declared.



AN OPINION SURVEY by the Republican National Committee of delegates to the White House Conference on Aging is nothing more than a blatant attempt at political manipulation, AFL-CIO Social Security Director Bert Seidman charged. He was questioned on Labor News Conference by Stephenie Overman of the National Catholic News Service and Robert Cooney, right, of Press Associates, Inc. The program is produced by the AFL-CIO as a public service and is aired weekly on the Mutual radio network.

Kirkland Testimony:

'Marketplace Morals' Not for Labor

The following is from the testimony of AFL-CIO President Lane Kirkland before the Senate Subcommittee on Investigations, Nov. 3, 1981.

UNION OFFICE IS a calling, not a business. The morals of the marketplace will not suffice. Those who enter that calling are, and should be, held to a higher standard. If a person holding union office takes an employer payoff for a substandard contract, misuses the right to strike for his own benefit or pilfers from the union treasury, that person does not simply stain his own honor. He tarnishes the bright efforts of the scores of men and women who have labored to create and maintain organizations worthy of the members we are privileged to represent and of society's good judgment.

There is much in theory to be said for internal union discipline as the proper response to misconduct by union officers. Democracy requires free trade unions not state dominated unions. Thus, one of our paramount responsibilities is protecting our institutional autonomy. Permitting the government to set the terms of union office is a substantial threat to that autonomy. But, the interest in preventing government interference is not our only interest, nor is every threat to that interest of the same gravity.

PASSAGE OF THE Landrum-Griffin Act marked a new stage in the federal government's regulation of unions. That act granted the Labor and Justice Depts. far-reaching authority to supervise internal union affairs. Not only is the applicable federal criminal law wide-ranging, it has been vigorously enforced. Thousands of hours and millions of taxpayer dollars have been spent looking into every aspect of union affairs. The FBI, the Justice Dept., the U.S. Attorneys, the Strike Forces and the Labor Dept. have pushed both the laws I have enumerated and the investigatory powers those laws created to their very extremes. That has been true in Democratic and Republican Administrations alike.

Indeed, every national union at which a finger of suspicion has been pointed has been subjected to thorough grand jury investigation. Those investigations normally cover every book and record, every expenditure, every voucher or the lack thereof, every meeting, every trip, and every other aspect of the union's affairs. The federal prosecutorial forces have immense authority to get at the facts.

For the past 20 years, the AFL-CIO has sought to orient itself to a course that takes proper account of the new order. The most perplexing problem has been whether we should attempt to run a full-scale private law enforcement system parallel to that run by the federal government.

SO LONG AS there was little or no applicable law, we had a plain obligation to do the best we could in this regard, no matter what our doubts on the efficacy of our efforts, an obligaiton we strove to fulfill. But Congress's judgment to turn the full power of the federal investigators and prosecutors to defining, ferreting out and bringing to book wrongdoing by union officers has brought our own limitations into sharp focus.

We simply do not have the resouces—the trained manpower, the subpoena, the grand jury, the authority to uncover and punish perjury, the due-process trial procedures that settle with authority questions of innocence and guilt, and the effective sanctions to punish the guilty. We have learned through hard experience that the allegations of criminal wrongdoing everyone supposes to be well founded do not always stand up when all the facts are brought out. We have also learned that occasionally the union officer one would unhesitantly vouch for can suddenly plead guilty to a serious crime. Neither the adage that where there is smoke there is fire nor its converse—that where there is no smoke there is no fire—has proved a sound guide for our efforts at internal regulation.

THE LESSON we draw from the foregoing is the one that George Meany stated during the debate on the proposal eventually enacted as the Civil Rights Act of 1964. The question he addressed was whether Title VII of that Act should make unlawful discrimination by unions as well as discrimination by employers. His unequivocal answer was:

The leadership of the AFL-CIO, and of the separate federations before merger, has been working ceaselessly to eliminate prejudices. . . . We have come a long way in the last 20 years—a long way farther, I might say, than any comparable organization. . . .

But we have said repeatedly that to finish the job we need the help of the U.S. government.

We are idealists enough to wish there was no such need, but we are realists enough to know that in an imperfect world, there are occasions that call for use of the criminal law. One such occasion is corrupt action by union officers.

The trade union movement can only be strengthened by law enforcement that dislodges those with a criminal bent who may find a toehold in our structure. One of the benefits government provides is the protection of the law. As spokesman for organized labor, the AFL-CIO asks for that protection, emphasizes that the trade union movement sees such protection as a benefit, and pledges its cooperation in a joint endeavor with the federal government to maintain the hard-earned honor of our institutions.

IT IS SIMPLE enough to state support for good morals and opposition to wrongdoing. But we do not content ourselves with these easy pieties. The consequence of recognizing that the government has a legitimate police role to play is the obligation to support fair-minded legislation that provides the authorities the wherewithal to do the necessary job. We do not shrink from that obligation. I have already outlined S.1785's provisions. By and large, the proposals fill recognized gaps in the present law and do so in a rational manner. The bill deserves and has the AFL-CIO's support.

By far the most problematic step S.1785 takes is to provide that disqualification from union or benefit fund office or employment takes effect on the trial court's judgment that the defendant is guilty of one of the enumerated crimes rather than after the appeals from that judgment have run their course.

The Federal Reporter shows that such appeals may be meritorious. And it is not a small matter for an individual who has over the years been a colleague in arms and who continues to maintain his innocence to be turned out of his position. But the disqualification issue is, we have come to believe, distinct from the ultimate issue of guilt or innocence. There is no infallible procedure for recapturing a past event and applying a general rule of conduct to the participants. Not even our elaborate system of appeals is foolproof.

NONETHELESS, with full recognition of the perils, at a certain point the information available requires a prudent person to act. We cannot gainsay that a jury or trial court verdict, reached after a full trial, that the defendant is guilty of a serious crime—particularly of a crime involving a breach of union or benefit fund trust—is sufficiently reliable information to justify removal from union or benefit fund office. There is force in the contention that in determining how to act in the world of practical affairs, such a verdict tilts the balance against the presumption of innocence.

This is a hard rule; one which may be unjust in particular applications and which raises troubling civil liberties issues. The alternative, however, raises even more troubling questions for the continued good health of the trade union movement. Torn as we are between these concerns, we believe that our obligation to the membership and the integrity of our organizations must be put first. The sponsor's decision to provide that the convicted defendant's salary will be held in escrow and paid to him if his appeal succeeds does tend to alleviate the harshest consequence of this suggested change in the law.

So that there is no misunderstanding, I wish to stress that we accept the most stringent regulation not because on a comparative basis there is a case for such regulation, but because the rules comport with our own sense of what is right. Human weaknesses and the corruption of the spirit are constants. The labor movement is not perfect, neither are those who serve it. The same may accurately be said of every other sector of our society and of their leadership.

INDEED, EVERY measure shows that the integrity and the dedication of union officers, as a group, is superior to that of other groups. There are over 100 AFL-CIO national and international unions and over 50,000 local unions. With very rare exceptions, the men and women who staff these organizations are of the highest character. They sometimes must operate in milieus in which it is not easy to maintain one's standards; there are communities and callings in which keeping to the straight and narrow is an heroic enterprise. It is no wonder that a few succumb to temptation.

I would be less than candid if I did not also stress that we approach any increase in federal prosecutorial power with trepidation. The criminal law is the government's most stringent power over the citizen; such power should be used in a fair and balanced manner, with due respect for the principles of free association. That is not what we in the trade union movement find. I am told that the laws regulating unions are being used to bring indictments based on the prosecutor's theory of what the union's constitutions *should* say or what types of expenditures union members *should* be permitted to authorize. Such approaches strain the law beyond wise, reasonable or intended limits.

There are several reasons, having nothing to do with the merits, that explain why the issue labeled "union corruption" or "labor racketeering" is treated in a manner that suggests that the law addressing the subject is inadequate or that the law is not being enforced.

FIRST, THE inference is fostered that wrongdoing by a union officer is not evidence of an individual's weakness but an attribute of the labor movement. While bankers, businessmen, government officials and others are judged on their individual merits, union officers are judged according to the worst examples. I believe I speak for all my brothers and sisters when I say that I deeply resent being treated in that fashion. Corruption is always and inevitably individual, not institutional.

Second, there are politicians and businessmen who have no use for the labor movement because free, vigorous and aggressive unions threaten their privileged position or profits. These individuals seek to beat us about the head with any stick that is handy. They view wrongdoing by a union officer as a public relations opportunity and exploit it accordingly.

Third, there are law enforcement officials whose authority and budget depend on sustaining the illusion that the union movement is corrupt. That is a convenient allegation because it does not require proof in a court of law, but only repetition in congressional budget hearings and in off-the-record session with journalists.

NONETHELESS, we are willing to run the risks entailed in broadening the present law as proposed in S.1785. Failing to do so would be to tempt even graver risks. We do so in the hope that, in this instance, and contrary to the norm, the grant of greater power will induce a greater sense of responsibility in the exercise of power.

There are, as I have noted, two aspects of S.1785 that we believe should be reconsidered. The first concerns the proposed amendment to Section 302 of the Taft-Hartley Act; the second is the proposal to increase the period of disqualification from five years to 10 years.

Section 302 goes considerably beyond the prohibition of employer "payoffs" to union officers. That provision also regulates, in detail, a myriad of perfectly proper transactions having principally to do with the financing of joint labor-management employee benefit funds. The web of rules that has emerged is both technical and complex, and those rules are also in a constant state of flux. For example, this term, thirty-five years after the provision became law, the Supreme Court will decide whether the District of Columbia Circuit Court of Appeals was correct in deciding that Section 302 sets limits on the pension eligibility rules employers and unions may set through collective bargaining. Plainly an error in making one's way through this legal labyrinth that has nothing to do with undertable employer payments, should not be treated as a felony. The intended scope of the bill in that regard is not clear. We would hope that the sponsors would include language that draws a rational line between the matters covered by Section 302 that are to be dealt with through the criminal law and those matters that are to be dealt with through the civil law.

WE BELIEVE that the proposed uniform 10-year disqualification period goes too far. If it were certain that the provision would apply only to those who, on an objective measure, deserve the epithet "racketeer" there would be no cause for just concern. But that is not the case. There are situations that come to my mind in which I would agree that a five-year disqualification would be insufficient. But I suggest that both reason and human feeling support the view that there are also situations in which a 10-year disqualification is too severe. It is, therefore, our view that the statute should provide a necessary measure of flexibility authorizing the trial judge on conviction of one of the enumerated crimes to set an appropriate disqualification period of not more than 10 years.

Throughout organized labor's history, there have been racketeers who have sought to prey upon, and to misuse, unions for their own benefit. They are not part of the trade union movement. They are our natural enemies.

Kirkland Cites Betrayal of Trust

Stiffer Penalties Asked To Fight Corruption

(Continued from Page 1)

that run by the federal government."

He reminded the subcommittee that before there was a body of federal laws regulating internal union conduct the AFL-CIO sought to enforce its high standards of ethical conduct. "We had a plain obligation to do the best we could . . . an obligation we strove to fulfill," he said.

But since passage of the Landrum-Griffin Act in 1959, he noted, both the Labor Dept. and the Justice Dept. were granted and have used extensive federal powers to supervise internal union affairs and to ferret out and prosecute wrongdoing.

Kirkland testified that the AFL-CIO simply doesn't have the resources or legal powers to uncover perjury, to conduct a trial that settles with authority and without violation of due process questions of innocence and guilt.

CRIMINAL allegations are properly matters for government action, he testified.

"We have learned through hard experience," Kirkland said, "that the allegations of criminal wrongdoing everyone supposes to be well founded do not always stand up when all the facts are brought out. We have also learned that occasionally the union officer one would unhesitantly vouch for can suddenly plead guilty to a serious crime."

Kirkland suggested an analogy to the position taken by the AFL-CIO's first president, George Meany, when Congress was considering whether Title VII of the Civil Rights Act—the equal employment opportunity section—should outlaw discrimination by unions as well as by employers.

MEANY TESTIFIED to the ceaseless effort by the labor movement to eliminate prejudice and discrimination—and to the substantial progress made. Nevertheless, Meany went on to say, "to finish the job, we need the help of the U.S. government."

Point by point, Kirkland went over the provisions of the Nunn bill, which is cosponsored by Sen. Warren B. Rudman (R-N.H.).

"By and large," he said, the bill would "fill recognized gaps in the present law and do so in a rational manner." While there are those who seize upon every isolated misdeed to smear all unions, "the trade union movement can only be strengthened by law enforcement that dislodges those with a criminal bent who may find a toehold in our structure."

A benefit of government is protection of the law, Kirkland testified. The AFL-CIO "asks for that protection . . . and pledges its cooperation in a joint endeavor with the federal government to maintain the hard-earned honor of our institutions."

KIRKLAND acknowledged that there are "perils" in the decision to provide for removal of an office-holder on conviction rather than after the appeals process. This could on occasion lead to unfairness, he noted. But he stressed that allowing persons convicted of crimes involving breach of trust to stay in their posts pending lengthy appeals "raises even more troubling questions," and "our obligation to the membership . . . must be put first." Reimbursement of lost pay if the appeal succeeds helps "alleviate the harshest consequence," he noted.

Two sections of the bill should be amended, Kirkland urged.

One section attempts to regulate in detail the myriad transactions involved in the financing of joint labor-management employee benefit funds.

"Plainly an error in making one's way through this legal labyrinth, that has nothing to do with under-table employer payments, should not be treated as a felony," Kirkland said.

HE URGED that the language of the bill be clarified to draw "a rational line" between matters that are to be dealt with through the criminal law and those dealt with through civil law.

Kirkland also suggested that the proposed mandatory 10-year period of disqualification—up from the present five years—is too rigid.

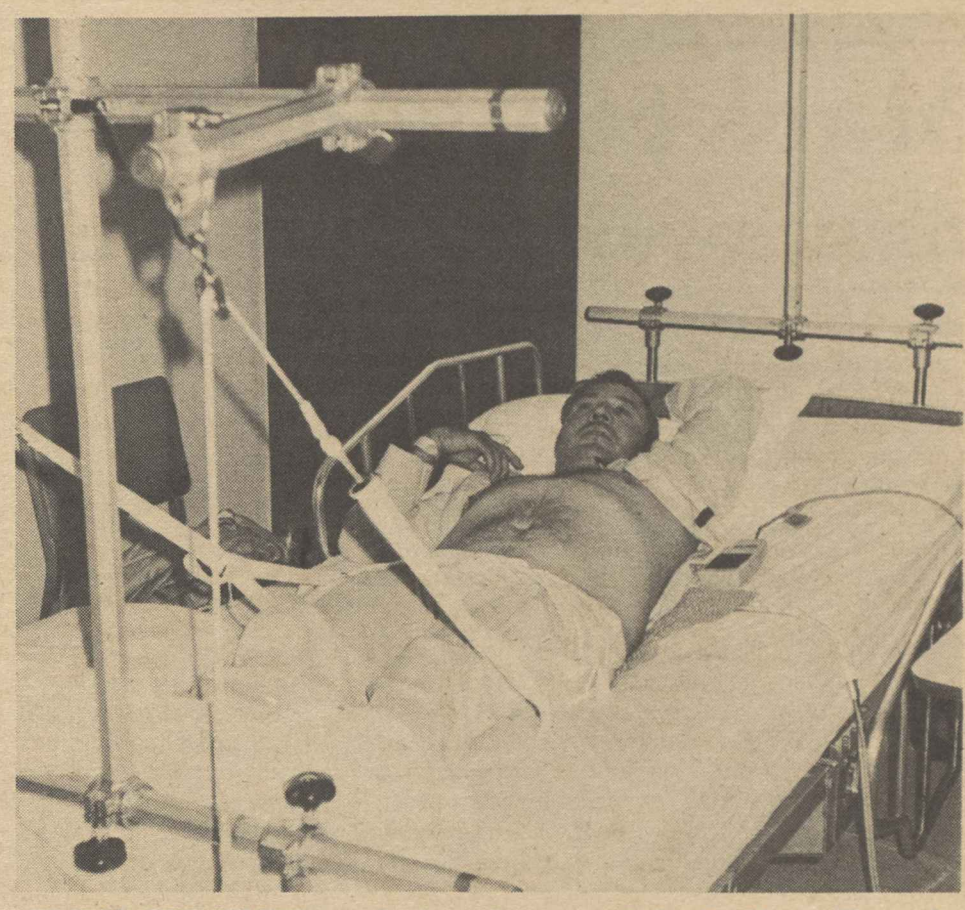
There are cases, where the epithet of "racketeer" is clearly justified, where a five-year disqualification would be insufficient, Kirkland acknowledged.

But there are other cases, often involving an individual with a previously unblemished record who gave in to a moment of temptation, where the proposed 10-year term would be too severe.

THE AFL-CIO'S view, Kirkland said, is that the law should provide some flexibility by "authorizing the trial judge, on conviction of one of the enumerated crimes, to set an appropriate disqualification period of not more than 10 years."

Kirkland's concerns on these points were well-founded and would be given serious consideration, subcommittee members agreed.

The Nunn bill will also be the subject of hearings before the Senate Labor subcommittee. Sen. Don Nickles (R-Okla.), the subcommittee chairman, set Jan. 26 and 28 as the hearing dates.



SOCIAL DISABILITY benefits have been cut off for Rockland, Ill., roofer John Bristol who cannot work at his trade after major job accidents permanently injured his spine. Bristol, who is appealing the ruling, was told benefits were being terminated on the basis of a review that judged him able to perform some work. The review was part of a program stepped-up by the Reagan Administration to reduce the disability benefit rolls and tighten eligibility.

Disabled Workers Victims Of Law Change, Budget Cuts

By Susan Dunlop

John Bristol, a 44-year-old roofer from Rockford, Ill., didn't work for four years after a 1964 accident on the job left him with a crushed spinal disc and constant pain.

A series of operations, and massive doses of painkillers and aspirin helped him to return to work, but a severe and still unhealed intestinal ulcer linked to the medication forced him back into the hospital. In 1973, he was hospitalized again for burns over most of his upper body suffered when he fell into hot asphalt after his injured back gave way on the job.

HE HAS since been frequently hospitalized for treatment, but his doctors recommend against further spinal surgery because of a risk of paralysis.

Bristol, who completed only three grades of school, has been relying on social security disability insurance payments to help support his wife and two children.

But now he faces the loss of that income because, the Social Security Administration informed him, a review of his case finds him ineligible for further disability payments. He is capable of work "that does not require bending, stooping or lifting," the government says.

Bristol's predicament grows out of a new federal budget-cutting drive aimed at trimming back the number of persons on the Social Security disability insurance rolls and discouraging new applications.

THE AFL-CIO Dept. of Social Security estimates that the stiff new standards of review being applied to disability cases could mean that as many as 20 percent of those receiving disability benefits could be cut off.

The Social Security Administration, operating under a 1980 law authorizing the review procedure, has said it will review nearly all current non-permanent disability and many permanent disability cases. Reviews will be conducted by designated agencies within the states that will forward their recommendations to the federal agency.

Most disabled beneficiaries are unaware that the reviews are in progress, AFL-CIO Social Security Director Bert Seidman said, expressing the federation's concern that the stepped-up review program appears to be linked to the Administration's budget-balancing goals.

LOCAL COMMUNITY services representatives helping Bristol with the appeal of his case anticipate a growing volume of disabled workers facing a sudden end to payments on which they have been depending for subsistence.

The review of disability cases was begun under the Carter Administration, but was intensified shortly after President Reagan took office. The Social Security Administration said it has already sent about 220,000 cases to states for action, and plans to send back about 500,000 more in 1982.

Under the social security disability insurance program, benefits are provided to persons who cannot "engage in substantial gainful activity" for at least 12 months, generally as a result of medical problems. Monthly payments average about $413 nationwide.

THE 1980 LAW establishing the review system requires that most non-permanent disability cases be reviewed at least once every three years. Permanent cases are also subject to review but without a timetable. The program was slated to begin in January 1982, but was moved up to August 1980 and accelerated in March 1981 by the current Administration.

Illinois officials report a backlog of roughly 22,000 cases to review and the turn-down rate for existing and new applications may run as high as 60 percent, according to AFL-CIO community services representatives in the state.

New Jersey Social Services Commissioner Timothy L. Garden says benefits are being terminated in that state in about a third of all cases being reviewed.

Union officials also are concerned that medical cases are being reviewed by doctors who are not specialists in the type of disability under scrutiny.

BENEFICIARIES are given only 10 days to appeal a cut-off of payments before the state's decision is sent to Washington. Once that happens, only two more checks will be mailed to the recipient.

Both the disability insurance program, which aids some 4.9 million individuals and their dependents, and the Supplemental Security Income program, which affects about 2.3 million disabled persons, are subject to the review program.

The disability insurance program would face further cutbacks under proposals being pressed by the Reagan Administration. These include a stricter definition of disability so as to rule out consideration of age, education or work experience; a longer waiting period for benefits, and tighter standards of eligibility.

Stronger U.S. Action Urged On South Africa's Apartheid

American companies operating in South Africa should be required to provide equal job opportunities and equal pay to black workers, the AFL-CIO urged.

Legislative Director Ray Denison, in a statement submitted to a House Foreign Affairs subcommittee, stressed the AFL-CIO's long and continuing hostility to apartheid, the South African government's doctrine of racial separation to perpetuate white minority rule.

THE OPPORTUNITY for achieving non-violent change is rapidly disappearing, Denison warned. As of now, he said, the AFL-CIO sees "development of a viable black labor movement as practically the only chance to effect peaceful change in South Africa."

Yet, he noted, "contrary to all rational thinking, South Africa has chosen the path of confrontation. It has embarked on a massive campaign of intimidation, detention and arrest of hundreds of black trade union leaders in an attempt to cripple the embryonic black labor movement."

The subcommittee has before it a bill by Rep. Stephen J. Solarz (D-N.Y.) that would require U.S. firms operating in South Africa to adopt fair employment policies, integrate employment facilities, end racial wage distinctions and recognize and deal with unions freely chosen by workers. Penalties for violation would include denial of U.S. tax credits for taxes paid to South Africa and export curbs.

A SEPARATE BILL by Rep. William H. Gray (D-Pa.) would bar U.S. financial institutions from making loans to South Africa until the President certifies the country has made "substantial progress" toward eliminating discrimination throughout the society.

Denison said the AFL-CIO supports the intent of both measures.

He reiterated the AFL-CIO position that if such steps prove inadequate, the United States should move toward a selective ban on the importation of South African products—and to a full boycott if necessary.

But "experience has shown that such a boycott can only be effective if taken in concert with our allies," Denison added.

D.C., Ohio Ballot Issues

Tuition Tax Credit Plan, Insurance Grab, Beaten

Voters in the District of Columbia trounced a labor-opposed tuition tax credit initiative in the Nov. 3 elections and Ohio citizens followed labor's lead in rejecting a constitutional amendment that would have let private insurance companies sell workers' compensation plans to employers in place of the state-run program.

The tuition tax credit fight spurred a heavy turnout of D.C. voters for an off-year election. Some 89 percent rejected the measure in a hot contest both sides saw as the first major test of the idea at the polls.

THE OPPOSITION was led by a coalition that included the Greater Washington AFL-CIO, the American Federation of Teachers and its Washington local, the Government Employees and the State, County & Municipal Employees. The coalition was supported also by D.C. officials, the business community, civic organizations, area ministers, senior citizens and civil rights organizations.

The tuition tax credit proposal, spearheaded by the National Taxpayers Union, would have allowed District residents to deduct up to $1,200 from their D.C. taxes for each child attending private school. City businesses could have cut their tax liability up to 50 percent for contributions to the tuition of D.C. students.

The labor-led coalition pointed out that the measure would undermine public education, deeply erode the city's tax base and destroy thousands of jobs for teachers and other workers. The sharp drop in revenues, the coalition stressed, would force up property, sales and other taxes in the District.

ALTHOUGH THE coalition successfully persuaded voters that the initiative favored the wealthy, election results also showed heavy opposition to the scheme in the city's most affluent wards.

AFT President Albert Shanker, commenting on the 9-1 rejection of the plan, noted that "this was the first chance the people have had to say whether they wanted tax credits—and they turned it down overwhelmingly."

In Ohio, the State AFL-CIO led the effort that beat back by a 4-to-1 margin a measure that would have allowed private insurance firms to replace the present state-operated workers' compensation system. The federation was joined by a coalition that included business, farm, civic, consumer, civil rights and church groups.

The AFL-CIO Executive Council last summer urged all AFL-CIO affiliates to work for defeat of the proposal. Under the existing plan, it noted, investment income from employer premiums is retained by the state fund to pay benefits and lower costs.

Ohio is the largest of six states that have exclusive state funds to provide workers' compensation coverage. Its system dates from a 1913 law sponsored by then-Sen. William Green, who later was to succeed Samuel Gompers as president of the American Federation of Labor.

State AFL-CIO President Milan Marsh called defeat of the issue "a victory for workers who saw through the multi-million dollar media campaign that stressed 'free enterprise and competition.' "

THE AMENDMENT'S supporters poured more than $6 million into the campaign, much of it contributed by insurance companies, the state federation said. Marsh praised the efforts of Ohio unions to raise funds for the opposition campaign urging voters to reject the amendment.

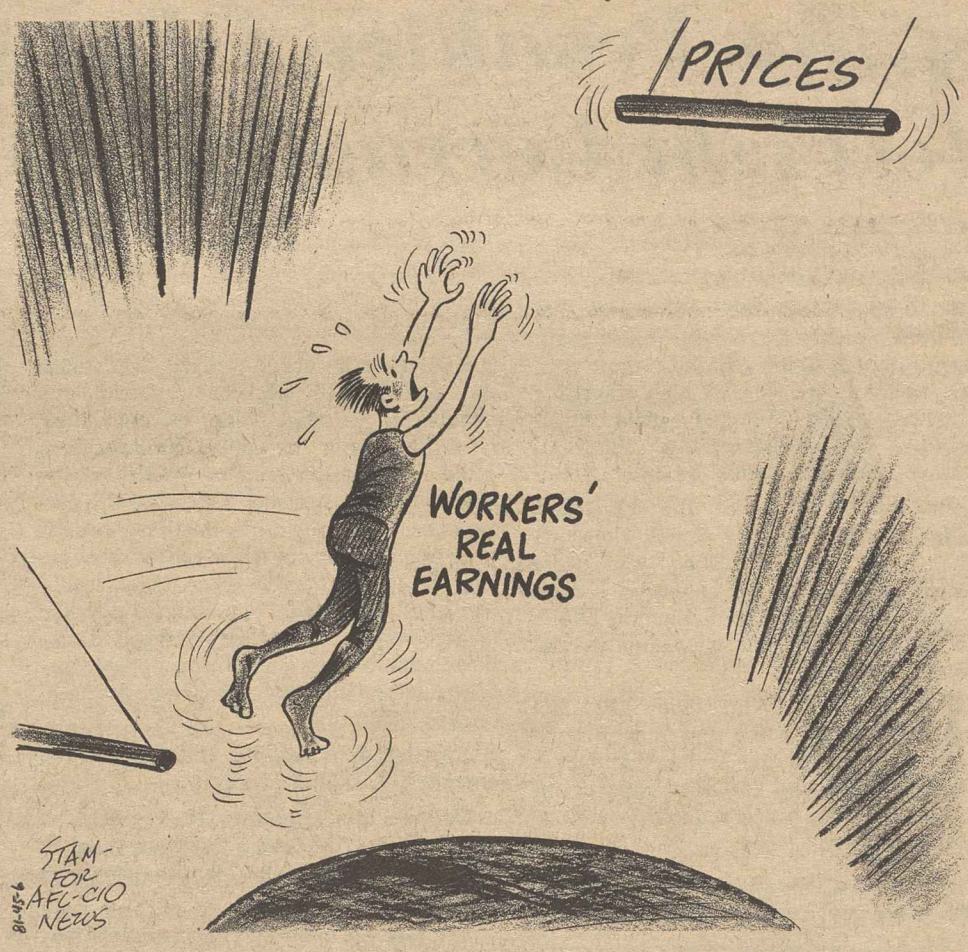
In another victory for labor-supported positions in Ohio, voters turned down 3-to-2 a Republican proposal for a constitutional amendment to change the formula for state legislative and congressional districts.

Washington state citizens passed an initiative requiring voter approval of the state utility system's construction budget and financing plans.

KENTUCKY VOTERS turned down a proposal to allow state officers, including incumbent Gov. John Y. Brown, Jr., to succeed themselves in office, and in another surprise loss, West Virginia rejected a $750-billion road bond issue that had statewide business and labor support. The state AFL-CIO attributed the defeat to a fear of higher taxes and economic uncertainty.

Elsewhere, voters picked and chose among ballot issues. In New York, New Jersey and Pennsylvania bond issues to improve public facilities were cleared. But Rhode Island turned down spending proposals for road and bridge repair and senior citizens transportation, and Texas voters rejected a local water projects issue. In Maine, bond issues for park improvements and public broadcasting equipment were voted down, but a $15-million issue to aid Bath Iron Works won approval.

'Where's That Safety Net?'



1981 Settlements Produce Average Pay Gain of 11.5%

(Continued from Page 1)

der pacts reached during the first nine months of the year. The soft-coal mining settlement covered 11 percent of the workers, and settlements in retail food stores covered 10 percent.

BLS noted that the average first-year wage boost was 13.9 percent in the construction industry. In other industries, the first-year average was 10.1 percent. Other highlights of the report:

- Manufacturing industry settlements covering 312,000 workers provided for an average first-year wage increase of 9 percent and an average annual raise of 7 when measured over the life of the pacts.
- Settlements in nonmanufacturing industries covering 1.1 million workers provided for an average first-year increase of 12.2 percent and an average 9.9 percent annual increase over term.
- Construction pacts covering 49,000 workers provided for an average 11.4 percent annual increase over the life of the contracts.
- Contracts negotiated during the nine-month period had an average duration of 31.2 months.
- Key contracts—those covering bargaining units of 5,000 or more workers—provided an average 11.8 percent first-year increase in combined wage and fringe-benefit improvements.

FIRST-YEAR negotiated increases in contracts with COL clauses averaged 7.9 percent, compared with 12.4 percent in those without such clauses, BLS said. Annual wage adjustments over the life of the agreements averaged 6.4 and 10 percent, respectively.

COL clauses covered 306,000 workers or 21 percent of those under settlements concluded during the first nine months of 1981. About 45,000 workers were covered by seven agreements which introduced COL clauses for the first time or re-established a COL provision that had been dropped earlier. COL clauses were dropped in nine agreements.

About 7.7 million of the 9 million workers included in BLS's major collective bargaining series received "effective" wage increases averaging 8.4 percent during the first nine months of 1981, while 1.3 million workers had no change during the period.

EFFECTIVE WAGE increases result from settlements reached during the period, deferred raises paid under agreements negotiated earlier, and increases under cost-of-living clauses. When prorated over all 9 million workers under major agreements, the wage adjustments put into effect during the nine-month period averaged 7.1 percent.

In the current quarters, 108 major agreements covering 285,000 workers are due to expire or may be reopened for wage negotiations, BLS said.

Virginia, New Jersey Elect New Governors

President Reagan's personal campaigning failed to keep Virginia in the Republican column, and a Democrat was elected governor for the first time since 1965.

In New Jersey, the only other state to elect a governor this year, Republican Thomas H. Kean, a millionaire businessman, held a paper-thin lead over James J. Florio, a labor-backed Democratic Congressman.

Reagan had carried both states handily last November and personally campaigned for the Republican gubernatorial candidates.

In Virginia, Democrat Charles S. Robb took 54 percent of the vote to defeat Reagan-endorsed J. Marshall Coleman.

Robb, the son-in-law of former President Lyndon B. Johnson, campaigned as a "moderate conservative." But black voters and other groups hard hit by Reagan budget slashes turned out in large numbers to give him strong support. Robb had the backing of a number of unions. The Virginia State AFL-CIO refrained from an endorsement of either candidate.

THE NEW JERSEY campaign was hard-fought from the start, with Florio urging voters to send "a message across the nation" of opposition to the Reagan program and Kean urging a "time-for-a-change" after two terms of retiring Democratic Gov. Brendan T. Byrne.

With more than 2.3 million votes cast, the lead shifted repeatedly during the long count and tally of absentee ballots. Kean eventually wound up with a lead of only 1,158 votes, subject to the official canvass and a possible recount.

Local issues dominated most mayoral elections, with incumbents generally winning re-election.

New York Mayor Edward Koch, who ran with both Democratic and Republican endorsement, was an easy winner. Buffalo's Mayor James Griffin also had two-party support. Both were first elected as Democrats.

Cleveland Mayor George Voinovich, a Republican, won re-election with a record-high 76.5 percent of the vote. In Minneapolis, liberal Democrat Don Fraser won an easy 2-1 re-election, and Democrat Coleman Young won his third term as mayor of Detroit.

DEMOCRAT RICHARD Caliguiri was easily re-elected in Pittsburgh and Republican Margaret Hance continues as mayor of Phoenix.

In Albany, Democrat Erastus Corning was elected to an 11th term. He has been mayor for 40 years. And in Hartford, Democrat Thirman L. Milner became the first black mayor of a major New England city.

In Houston, where the mayor gets $82,000 a year, incumbent Jim McConn finished fourth, and a runoff will decide between City Controller Kathy Whitmere and Sheriff Jack Heard. In Miami, a runoff will pit incumbent Maurice Ferre, a native of Puerto Rico, against Manola Rebosa, a native of Cuba.

California State Units Pick AFL-CIO Unions

The Communications Workers and the State, County & Municipal Employees scored major victories in runoff elections against the unaffiliated California State Employees Association to represent more than 11,000 state health service employees.

CWA Local 11555 won representation rights for 8,000 psychiatric technicians in state hospitals by gaining 57 percent of the vote over the CSEA in an election conducted by California's Public Employment Relations Board.

AFSCME Local 2620 also defeated the CSEA for a 3,100-member unit of health and social service professionals by gaining a majority of the vote in a tight election.

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Council Pledges Renewed Fight For Social, Economic Progress

AFL-CIO News

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Donahue Hits Wage-Busting On Standards

The AFL-CIO and unions representing workers whose pay and benefits are threatened accused the Reagan Administration of abusing the regulatory process to cut back coverage of the Service Contract Act.

AFL-CIO Sec.-Treas. Thomas R. Donahue told the House Subcommittee on Labor-Management Relations that the Labor Dept. has subordinated enforcement of worker protection laws to the Administration's goal of cutting wage costs.

"WE WANT to see the Dept. of Labor rededicate itself to the protection of the American worker," Donahue testified.

The Service Contract Act, passed in 1965 and twice strengthened by Congress, was intended to assure that workers employed by firms that provide services to the government receive locally prevailing wages and benefits. It is comparable to Davis-Bacon Act protections for construction workers.

New regulations proposed by the Labor Dept. last August would exempt from the law many contracts now covered, and unions have charged it would lead to a renewal of the wage-cutting that led to passage of the law. The department has not yet made the regulations final and will hold its own hearings later this month to supplement written comments by interested parties.

SUBCOMMITTEE Chairman Philip Burton (D-Calif.) termed the proposed regulations cause for "serious concerns," and union officials who testified during two days of hearings clearly shared these concerns.

AFL-CIO witnesses included:

- Service Employees President John Sweeney, who said the Labor Dept. should be working to improve the often lax enforcement of the law instead of seeking

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AFL-CIO PRESIDENT Lane Kirkland told delegates to the Metal Trades Dept. convention that their goal of rebuilding the American shipping industry has the support of the entire labor movement. **(Story, Page 2)**

Price of Reaganomics

'Engineered Recession' Brings 8% Jobless Rate

By James M. Shevis

American workers, hobbled by persistent inflation and an unemployment rate of 8 percent that is likely to climb higher as the economy declines, are now paying the price for what the AFL-CIO saw nine months ago as President Reagan's "high-risk gamble" with the nation's future, Federation President Lane Kirkland declared.

The Administration's budget cuts and tight-money policies "have not produced a flourishing economy as Reagan promised, but rather are the major factors in the rapid increase in unemployment," Kirkland said in a statement on the half-percent jump in the October national jobless rate.

INSTEAD OF addressing the problems of a badly slumping economy, the Administration offers no alternatives to its "engineered recession"—"just more of the same," Kirkland said.

"It is time to undo some of the damage resulting from the budget cuts, the tax giveaways, and the monetary squeeze on the housing and auto industries," he warned.

The increase of five-tenths of 1 percent in the unemployment rate in October was the largest one-month jump since the rise from 6.9 to 7.6 percent in May 1980, near the end of last year's recession.

The number of jobless workers is now more than 8,520,000, a rise of over one million in three months.

LAST MONTH'S unemployment increase was felt most by blue-collar workers. Their jobless rate soared from 10.2 to 11 percent while white-collar unemployment remained unchanged at 4.1 percent. The jobless rate for construction workers leaped from 16.3 to 18 percent over the month.

The suffering of blacks and other minorities was particularly severe as their unemployment level as a whole rose from 15.1 percent in September to 15.5 percent in October, a post-World War II record. The rate for black teenagers shot up from 37.5 to 42.9 percent.

Kirkland noted, though, that there is no shading of distinction in the percentages of unemployed groups among the

(Continued on Page 20)

Centennial Keys Report To Delegates

By David L. Perlman

New York—America's trade union federation enters its second century committed to a ceaseless struggle for social and economic justice—and to the search for more effective ways to advance labor's cause.

That's the thrust of the Executive Council's report to the AFL-CIO's 14th convention, covering the nearly two years since the retirement and death of George Meany.

IT WAS A period of new leadership for the nation as well as for its labor movement. But while the AFL-CIO moved ahead under new leaders, the Reagan Administration brought a drastic turnabout in the direction of government.

In the opening section of the Executive Council report, AFL-CIO President Lane Kirkland refers to the "counter-revolution" launched by the Administration to dismantle government programs that "protect society."

The AFL-CIO, he said, has emerged as "the strongest and most coherent voice" against Reagan policies.

WHEN THE President challenged his critics to come up with an alternative program, Kirkland noted, "we did just that."

He cited labor's insistence that defense needs "be met by fair taxation, not by dismantling vital social programs, and the AFL-CIO's proposal for tax incentives targeted for revitalization of essential industries instead of "throwing tax money at business in a wholesale fashion."

And labor warned, as the nation now realizes, "that the Administration's high-interest, tight-money policies would encourage both inflation and unemployment," Kirkland noted.

The labor movement lost "a towering world figure" with the death of George Meany, Kirkland said. "But the institution he shaped remains strong, rooted in the needs and aspirations of working men and women."

HE CITED the influx of new leadership at all levels to replenish the trade union movement, including the addition of the first woman to the AFL-CIO Ex-

(Continued on Page 19)

Tentative Railroad Accord Sets Gains for Half-Million

Seven AFL-CIO unions representing nearly a half-million workers on major railroads tentatively approved new 39-month agreements providing wage increases of 32.5 percent plus fringe benefit improvements.

The accord, announced at a news conference by President Richard Kilroy of the Railway & Airline Clerks, the largest of the seven unions, retains the previous contract's cost-of-living clause with its formula for pay increases of one cent an hour for each rise of three-tenths of 1 percent in the consumer price index.

THE AGREEMENT also calls for improvements in health and welfare plans, pension benefits, and vacations, and gives workers another paid holiday, the day after Thanksgiving Day.

Kilroy, who became BRAC president on the death of Fred Kroll earlier this year, described the settlement as "an excellent agreement" given today's economic conditions, and predicted its overwhelming ratification by the union's members, who will be voting on it in the next four weeks. Results of the balloting will be known by Dec. 11, he said.

KILROY SAID the new agreement was "a significant step forward," marking one of the few times in railroad negotiations that the union and the National Railway Labor Conference, negotiating for management, had been able to reach an accord without recourse to mediation, arbitration or a threatened or actual strike under the Railway Labor Act.

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Davis-Bacon Act Rules Preserved By Senate Vote

The Senate upheld the Davis-Bacon Act on a key 55-42 vote that preserved prevailing wage protections for workers employed on military construction contracts.

Open-shop employers had sought to use the military construction bill as a springboard toward outright repeal of the Davis-Bacon Act, which since 1931 has required federal contractors to meet local pay scales and conditions.

THEY HAD WON an initial victory when the Senate Armed Services Committee wrote an exemption from Davis-Bacon coverage into the $6.5 billion military construction authorization bill.

On the Senate floor, the burden was on labor's friends to amend the bill so as to delete the Davis-Bacon Act exemption.

Sen. Henry M. Jackson (D-Wash.) introduced the amendment to restore Davis-

(Continued on Page 2)



KEYNOTING the Metal Trades Dept.'s 60th convention, President Paul J. Burnsky cited the critical condition of the U.S. naval and merchant fleets and scored the Administration for retreating from its commitment to shipbuilding.

Metal Trades Spur Federal Action To Reverse Naval, Maritime Decline

By John R. Oravec

New York—Overdue federal support of domestic ship construction projects to reverse the shrinkages of U.S. naval and maritime fleets is critical to the nation's security, the industry and the jobs of thousands of shipyard workers, the 60th Metal Trades Dept. convention warned.

Delegates also stressed the need for stepping up departmental organizing efforts as they endorsed a six-point program drafted by a convention committee.

THE CONVENTION called on Congress to restore funding for construction differential subsidies (CDS) which had been deferred by the House Merchant Marine & Fisheries Committee under pressure from the Reagan Administration.

At the same time, delegates pressed Congress to eliminate an amendment in the Budget Reconcilliation bill that would provide operating subsidies for U.S. firms having ships built or reconstructed in foreign yards.

In his keynote address to the convention, MTD President Paul J. Burnsky cited the critical condition of the U.S. naval and merchant fleets.

NOTING THAT in a dozen years the Navy's active fleet has shrunk from 926 to 446 ships, Burnsky observed that "if a war started tomorrow, the Navy would be worse off than it was on the morning after the attack on Pearl Harbor."

The merchant marine is in even worse shape, he said. "Thirty years ago nearly 4,000 American-flag ships carried 60 percent of the nation's import-export cargo. Fewer than 600 ships remain, carrying only 4 percent of it," he said, and merely a "handful would be fit for duty as military transports."

Burnsky charged that the Administration has retreated on its commitment to rebuild the naval and merchant fleets.

"THE FIRST to go was assistance for cargo carriers," he said. "The long-standing construction subsidy program was scorned. The obvious preference is for foreign-built vessels—even warships, according to the Secretary of the Navy."

Burnsky warned that U.S.-owned runaway vessels that fly foreign flags and are operated by foreign crews can't be depended upon in an emergency.

But neither Congress nor the White House has been able to determine if a U.S.-flag fleet is worth having, he said. The Navy isn't sure about it either, he added.

"UNLESS THERE is a continuing flow of merchant ship construction in the nation's commercial shipyards during the next five years," Burnsky cautioned, "there won't be enough shipyards, enough specialty suppliers and, worst of all, enough skilled workers to build the warships the Navy will be ready to order."

The department represents more than 650,000 workers in 22 affiliated unions under contracts negotiated by MTD councils with private industry and at federal facilities.

Burnsky noted that there are only 24 private U.S. shipyards remaining that are capable of handling naval construction and with the withdrawal of merchant ship construction subsidies others may soon close.

A NUMBER of convention speakers voiced similar concerns over the deterioration of shipping and naval strength.

AFL-CIO President Lane Kirkland told delegates that "your goal of rebuilding your industry and restoring America's shipping and shipbuilding capacity is not yours alone. It is a goal of the entire labor movement, because there is no way this country can guarantee its own survival, let alone reach its potential without it."

Kirkland said the labor movement is entering its second century during a period of severe economic dislocation and is faced with an Administration whose social philosophy is a throwback to the big business barons of 100 years ago.

"AS WE CROSS the threshhold of our second century, the labor movement stands as the strongest, most unified force defending the rights of the American people, and we have a fight on our hands," he stressed.

Kirkland noted that hundreds of thousands of workers responded on the Sept. 19 Solidarity Day demonstration "to President Reagan's claim that he, not the labor movement speaks for American workers . . . showing that they have lost none of their desire to speak for themselves through the democratic institutions they created for the purpose."

He said the trade union movement and its allies are working for another demonstration of solidarity on Election Day 1982 when "we intend to do everything in our power to elect a Congress that will reverse Mr. Reagan's program and restore the human equation to the process of government providing for the general welfare."

THE CONVENTION'S endorsement of an expanded organizing effort includes a recommendation for the department to establish a pilot program that will be used as a model by Metal Trades Councils across the country in future organizing activities.

The department's major organizing gain since its last biennial convention came in a representation election in Panama earlier this year for 8,000 professional employees. The campaign was coordinated by an AFL-CIO Maritime/Metal Trades coalition.

Delegates also approved a 2-cent increase in the per capita tax that was recommended by the convention's audit committee. Monthly payments by the MTD's affiliated unions and councils will rise to 12 cents per member effective next July 1.

Other key resolutions adopted at the two-day convention call for:

- Affiliates and councils to establish voluntary COPE check-off contributions by members.
- Strong opposition to Administration attempts to place tight limits on the wages of federal workers.
- Rejection of proposals to slash coverage and benefits through amendments to the Federal Employee Compensation Act.
- Extending full OSHA protections to federal workers.
- Continued opposition to proposals to tax workers' fringe benefits.
- Improvements to inland waterway transportation facilities, development of bilateral coal shipping agreements, and rejection of new attempts to export Alaskan oil.

Convention speakers in addition to Kirkland included President Frank Drozak of the Maritime Trades Dept.; Sec.-Treas. Earl McDavid of the Union Label & Service Trades Dept.; retired Admiral Isaac C. Kidd who headed the Navy's Atlantic fleet and NATO naval forces; Admiral E. B. Fowler, commander of the Naval Sea Systems Command, and Robert E. King, industrial relations director of the Energy Dept. and NASA.

Senate Votes To Preserve Davis-Bacon

(Continued from Page 1)

Bacon coverage, with Sen. Edward M. Kennedy (D-Mass.) as co-sponsor. It passed with the votes of 39 Democrats and 16 Republicans, including Majority Leader Howard H. Baker. Only seven Democrats joined 35 Republicans in voting against Davis-Bacon.

A factor in the battle for Republican votes was the Reagan Administration's position on the issue.

SEN. STROM THURMOND (R-S.C.), author of the Davis-Bacon exemption clause, told the Senate that it was his "understanding" that the White House took no position on the issue.

But other senators interpreted a letter from Office of Management & Budget Director David A. Stockman as signalling Administration opposition to piecemeal repeal of Davis-Bacon.

Stockman said the Administration's policy "of not seeking repeal of Davis-Bacon" also applies to the military construction controversy. Stockman noted that "the Dept. of Labor, at the President's direction, has developed and proposed administrative changes, designed to improve the administration of the Davis-Bacton Act and reduce costs."

Thurmond told the Senate that the new regulations "will take too long to implement" and argued that the military construction bill could be used as a "marketplace" test of operating without Davis-Bacon coverage.

JACKSON RETORTED that the Davis-Bacon Act has been "a stabilizing force in the cyclical construction industry and continues to serve a valid purpose of preventing the development of unfair wage-busting tactics.

Kennedy warned that exemption from prevailing wage protection would lower the quality of workmanship.

Senate Rollcall to Restore Davis-Bacon Act Coverage

The Davis-Bacon Act assures payment of prevailing wages and benefits on federal construction contracts. A military construction bill before the Senate would exclude contracts totaling billions of dollars from Davis-Bacon coverage.

The Senate on Nov. 5 voted 55-42 for a labor-supported amendment by Sen. Henry M. Jackson (D-Wash.) restoring Davis-Bacon coverage.

FOR LABOR'S POSITION

Democrats 39

Baucus (Mont.)	Dodd (Conn.)	Jackson (Wash.)	Moynihan (N.Y.)
Biden (Del.)	Eagleton (Mo.)	Johnston (La.)	Pell (R.I.)
Bradley (N.J.)	Exon (Neb.)	Kennedy (Mass.)	Proxmire (Wis.)
Bumpers (Ark.)	Ford (Ky.)	Leahy (Vt.)	Randolph (W.Va.)
Burdick (N.D.)	Glenn (Ohio)	Levin (Mich.)	Riegle (Mich.)
Byrd, R. (W.Va.)	Hart (Colo.)	Long (La.)	Sarbanes (Md.)
Chiles (Fla.)	Heflin (Ala.)	Matsunaga (Hawaii)	Sasser (Tenn.)
Cranston (Calif.)	Hollings (S.C.)	Melcher (Mont.)	Tsongas (Mass.)
DeConcini (Ariz.)	Huddleston (Ky.)	Metzenbaum (Ohio)	Williams (N.J.)
Dixon (Ill.)	Inouye (Hawaii)	Mitchell (Me.)	

Republicans 16

Andrews (N.D.)	Danforth (Miss.)	Mathias (Md.)	Percy (Ill.)
Baker (Tenn.)	Domenici (N.M.)	McClure (Ida.)	Specter (Pa.)
Chafee (R.I.)	Durenberger (Minn.)	Murkowski (Alaska)	Stafford (Vt.)
D'Amato (N.Y.)	Heinz (Pa.)	Packwood (Ore.)	Weicker (Conn.)

AGAINST LABOR'S POSITION

Democrats 7

Bentsen (Tex.)	Byrd, H. (Va.)	Pryor (Ark.)	Zorinsky (Neb.)
Boren (Okla.)	Nunn (Ga.)	Stennis (Miss.)	

Republicans 35

Abdnor (S.D.)	Gorton (Wash.)	Kassebaum (Kan.)	Rudman (N.H.)
Armstrong (Colo.)	Grassley (Iowa)	Kasten (Wis.)	Schmitt (N.M.)
Boschwitz (Minn.)	Hatch (Utah)	Laxalt (Nev.)	Simpson (Wyo.)
Cochran (Miss.)	Hatfield (Ore.)	Lugar (Ind.)	Symms (Ida.)
Cohen (Me.)	Hawkins (Fla.)	Mattingly (Ga.)	Thurmond (S.C.)
Denton (Ala.)	Hayakawa (Calif.)	Nickels (Okla.)	Tower (Tex.)
Dole (Kan.)	Helms (N.C.)	Pressler (S.D.)	Wallop (Wyo.)
East (N.C.)	Humphrey (N.H.)	Quayle (Ind.)	Warner (Va.)
Garn (Utah)	Jepsen (Iowa)	Roth (Del.)	

Absent: Cannon (D-Nev.); Goldwater (R-Ariz.); Stevens (Alaska)

Keyed to Corporate Strategies

Food, Beverage Trades Press Organizing Goals

New York—Delegates to the Food & Beverage Trades Dept. convention called for continued development of new organizing techniques keyed to the department's corporate strategies program.

The convention stressed the need to develop imaginative tools and techniques to combat the effects of "open government hostility toward unions" which it said is encouraging many employers to attack labor through the use of union-busting consultants.

THE FBTD corporate strategies program is designed to ferret out the strengths and weaknesses of targeted firms through extensive research before specific tactics are developed to meet a union's organizing and collective bargaining goals.

In his keynote address to the convention, FBTD President Robert F. Harbrant said organizing is the most serious challenge facing the trade union movement. He noted that "80 million unorganized workers are already out there in the workforce without a voice, without a vote, without a grievance system."

Harbrant underlined the need to upgrade the organizing approach to reverse the decline in membership of some unions and bring representation to the unorganized.

"WE NEED to collectively examine specific industries or certain conglomerates and decide as a department to target such concerns for concentrated, coordinated campaigns," he said. "Locals, even internationals, cannot effectively confront these giants who stare us in the face and want only to deny workers their most fundamental rights."

New organizing strategies are particularly essential in making maximum use of the limited resources of unions and in the face of a government that "is unabashedly antagonistic toward workers, not just unions," he declared.

AFL-CIO President Lane Kirkland expanded on that theme in his address to the convention, noting that the Reagan Administration espouses a social philosophy developed by business leaders 100 years ago, and which the labor movement has struggled to refute ever since.

"THEY BELIEVE that the job of government is to help accumulate more capital at the expense of all who are not rich," Kirkland said. "They object to any government efforts to reduce inequality among the American people and to prevent the exploitation of the weak by the strong."

The same forces object to all government programs that labor has fought to establish, including health care, housing, education, jobs creation, social security, occupational safety and consumer protections, he pointed out.

"It is ironic," Kirkland observed, "that those who complain the most about government on their backs are the first to applaud when government is used to break the back of a union."

THE CONVENTION re-elected Harbrant to a new two-year term by acclamation and elected Rhonda Allgaier to her first full term as secretary-treasurer. Allgaier, who also is secretary-treasurer of Hotel Employees-Restaurant Employees Local 8 in Seattle, filled the unexpired term of Harry R. Poole, who retired in August.

Delegates also voted to raise the monthly per capita tax affiliates pay the department to 5 cents, a 1½-cent increase.

To give delegates a broader perspective on the department's corporate strategy, a panel of specialists outlined various approaches to conduct research on targeted companies.

THEY EXPLORED avenues for acquiring vast amounts of information through the examination of proxy statements and shareholder reports, interlocking directorships, credit sources, real estate holdings, pension fund investments, stock purchases in other companies, as well as records filed with numerous government agencies, including the Securities & Exchange Commission, Federal Trade Commission, Labor Dept., NLRB, OSHA, ERISA, Justice Dept.'s Antitrust Division and EEOC.

A prototype of the FBTD's approach was used successfully by the Clothing & Textile Workers in its J. P. Stevens campaign. It was instituted after the company flouted numerous decisions for violations of federal labor law.

Jeffrey Fiedler, director of the FBTD program, noted in summing up the panel discussion that corporate strategies provide unions with alternative approaches to organizing and collective bargaining efforts. When combined with the traditional tools of strike, boycott and NLRB elections, the odds of winning are vastly improved. Other panelists were Ray Rogers, ACTWU consultant; FBTD Counsel Ron Rosenberg and John Wilhelm of HERE.

KEY RESOLUTIONS adopted at the two-day convention called for:

- Opposition to Administration efforts to weaken the Freedom of Information Act, a vital means of acquiring information for the department.
- Safeguards against attempts by the SEC to relax regulations governing corporate reports.
- Stronger federal legislation protecting workers from the use of "lie-detector" tests by employers.
- Improved federal safeguards against pesticides and other toxic hazards facing workers.
- Stricter OSHA standards to better protect workers against explosions at grain elevators and mills.
- Opposition to the Administration's "guest worker" program and implementation of an effective, but compassionate, immigration policy.
- Reversal of the Administration's economic policies that are having a disastrous impact on workers and their families.
- A congressional investigation into the practices, control and cross-ownership of commercial media and expansion of the public's voice in the Corporation for Public Broadcasting.

Convention speakers included Msgr. George G. Higgins, who gave delegates a comprehensive report on Poland's Solidarity convention, which he attended; Sen. Dennis DeConcini (D-Ariz.), Sen. Paul Tsongas (D-Mass.), Rep. David Obey (D-Wis.), occupational health experts Dr. Irving Selikoff and Dr. Jeanne Stollman, Sec.-Treas. Earl McDavid of the Union Label & Service Trades Dept. and Teamster organizer Vicky Saporta.



MSGR. GEORGE G. HIGGINS, addressing the Food & Beverage Trades Dept. convention in New York, gave delegates a firsthand report on the recent national congress held by Poland's Solidarity trade union federation. Higgins, of Catholic University in Washington, spoke at the historic congress, Solidarity's first since its creation a year ago.

Workers Defense League Honors SEIU's Sweeney

New York—AFL-CIO Vice President John J. Sweeney told more than 500 labor and liberal leaders at a Workers Defense League dinner in his honor that the impetus so dramatically produced by Solidarity Day must be "only the first shot" in a continuing campaign to defeat the Reagan Administration's program of "benefits for the truly greedy, not the truly needy."

Sweeney, who is president of the Service Employees, stressed that labor begins its second century much as it did its first—"battling injustice and prejudice and fighting for the rights of working men and women everywhere."

He cited Hubert Humphrey's "moral test" of how government treats children, the aged, the sick, the needy and the handicapped. After almost ten months of the Reagan presidency, Sweeney charged, "the Administration fails such a test miserably on all counts."

Joyce D. Miller, president of the Coalition of Labor Union Women, presented the WDL's 1981 David L. Clendenin Award for distinguished service to labor's rights to Sweeney, lauding his achievements in both "bringing women workers into the labor movement and bringing the labor movement to women workers."

She said the SEIU has worked unceasingly "to include the neglected women and minority workers of the service economy, household workers, health care workers and clerical workers, into the movement of free and united labor."

DINNER CHAIRMAN Albert Shanker, president of the American Federation of Teachers, hailed the 45th anniversary of the WDL and reminded the audience that he had testified in 1971 before the WDL Commission of Inquiry into the use of the injunction and jail sentences against public employees. The WDL, he said, worked hard then to call attention to the discrepancies between the rights the nation grants to some workers and not to others.

Today, Shanker said, "we still face a world of double standards: the same arguments that are used against public employees here, such as air traffic controllers, are used by the Soviets against Polish workers."

Bayard Rustin, chairman of the A. Philip Randolph Institute, hailed the role of the Workers Defense League in initiating the Joint Apprenticeship Project, which later blossomed into the Recruitment & Training Program (RTP). That succeeded in bringing more than 20,000 black and Hispanic youngsters into union apprenticeship programs in construction and other unions.

THE RECURRING theme of peonage and forced labor was broached by Harry Fleischman, chairman of the WDL's executive committee. Back in 1950, he reported, the WDL testified before a United Nations committee on forced labor among black sharecroppers in the South, while denouncing forced labor in the Soviet Union, its satellites, and in South Africa.

But it's happening again, said Fleischman. Last month, two migrant crew leaders were arrested for conspiring to kidnap and enslave eight migrant workers and causing the death of one man. Thousands of undocumented aliens have been held in virtual slavery in the United States, he said.

The Workers Defense League, Fleischman reported, has responded to this cruel situation by bringing together more than 170 prominent Americans who are calling upon President Reagan to order the Justice Dept. and the Immigration & Naturalization Service to enforce the nation's anti-peonage statutes, and help wipe out the blight of peonage in America.

Other projects were detailed by Philip van Buren, the WDL's new executive director. They include: building a system of private litigation to fight violations of minimum wage and maximum hour laws, providing new voluntary avenues of internal union dispute settlements, and a program to help bust the union-busters.



SERVICE EMPLOYEES President John J. Sweeney, second from left, is honored by the Workers Defense League for his service to labor. President Joyce D. Miller of the Coalition of Labor Union Women presented Sweeney with the WDL's David L. Clendenin Award. At the presentation were Harry Fleischman, chairman of WDL's executive committee, left; Teachers President Albert Shanker, and Bayard Rustin, chairman of the A. Philip Randolph Institute.

Textile Industry Reports Joblessness of 12 Percent

Unemployment in the textile industry rose to 12 percent in October, compared to 8 percent for the nation as a whole, the American Textile Manufacturers Institute reported.

The October jobless rate for the industry was the highest since the 1974-75 recession. Labor Dept. statistics show that, in addition to those unemployed, 8 percent of the nation's 835,000 textile workers were working less than 35 hours per week for lack of full-time work.

Rail Carriers, Unions Reach National Pact

(Continued from Page 1)

The six other unions that tentatively agreed to the same settlement are the Machinists, the International Brotherhood of Electrical Workers, the Maintenance of Way Employees, the Carmen, the Boilermakers & Blacksmiths, and the Sheet Metal Workers. BRAC represents over 100,000 workers affected by the agreement, and the others about 140,000.

Meanwhile, six other unions with members employed by the country's big railroads are at various stages of negotiations with management. Representing a total of about 200,000 workers, the six are the Locomotive Engineers, Signalmen, Firemen & Oilers, Yardmasters, United Transportation Union, and the American Train Dispatchers Association.

KILROY SAID the new pact, reached after nearly three months of negotiations, is fully retroactive to Apr. 1, when the previous agreement expired, and will run through June 30, 1984. The estimated 32.5 percent pay raise assumes an inflation rate of 10 percent this year, 8 percent in 1982, and again in 1983, he said.

The agreement calls for a 2-percent wage increase retroactive to Apr. 1. Another retroactive 3-percent wage increase dates back to Oct. 1. Next July, a 3-percent pay raise will be added, and another 3-percent increase will become effective in July 1983.

Cost-of-living adjustments include one of 32 cents, retroactive to July 1, to be added to the 58-cent-per-hour COL allowance in effect at that time. A second COL allowance of 35 cents an hour would be added Jan. 1, 1982. COL payments thereafter would be made semi-annually.

VACATIONS ARE improved to three weeks a year for workers with eight years of seniority and to four weeks for those with 17 years or more of service.

Kilroy said that in addition to improvements in the industry's health and welfare plan, the parties agreed to set up a joint labor-management committee to look into "other alternatives." The objective, he explained, would be to get better coverage and protection for employees at lower cost to them.

Workers employed by Conrail, the federally subsidized freight line in the Northeast and Midwest, are covered by the new agreement but not those employed by Amtrak, the quasi-public passenger service.



NEW RAIL AGREEMENT is discussed by President Richard Kilroy of the Railway & Airline Clerks at a Washington news conference. BRAC and six other unions representing workers employed by the nation's major railroads have tentatively agreed to a pact providing wage increases of 32.5 percent over a 39-month period.

South Carolina Fed Elects First Full-Time President

Myrtle Beach, S.C.—Delegates to the 25th convention of the South Carolina AFL-CIO elected Randall Kiser of Columbia as the first full-time president of the state federation, scored the "destructive direction of the Reagan Administration's social and economic policies," and pledged to maintain the momentum of Solidarity Day by designating the 1982 general election, Solidarity Day II.

Kiser, 26, a member of the Bakery, Confectionery & Tobacco Workers Union, has been the state federation's political director since 1978. The oath of office was administered by his father, George Kiser, an AFL-CIO Region V field representative since 1963.

KISER SUCCEEDS James A. Johnson of Andrews, a vice president of the Clothing & Textile Workers and manager of its South Carolina Coastal Joint Board. Johnson did not seek the full-time state federation position. He has held the part-time presidency for the last three years.

In opening remarks to the 350 delegates, Johnson pointed to increased union impact on the state legislature, reinstitution of the combined North and South Carolina Labor School and "development of a mature and effective COPE program in a fiercely right-wing atmosphere" as among "your proudest accomplishments during the last three years."

Sec.-Treas. Harold Reynolds reported that affiliations have grown substantially since the 1980 convention, with membership now standing at more than 33,000. He said the record-high membership was achieved largely through the new resources made available by the two-step per capita increase voted by the 1980 convention.

REYNOLDS, a member of the Communications Workers and president of CWA's Florence local, did not seek reelection to the post that he has held since 1978. Delegates chose R. H. Harmon, a member of the International Brotherhood of Electrical Workers, to succeed him.

ACTWU Sec.-Treas. Jacob Sheinkman delivered a stinging attack on Reaganomics in his keynote address to the convention. He charged that although the Administration had promised that its budget-cutting and program-slashing would not force more suffering on the poor and the disadvantaged, what it actually delivered were protections for the rich and powerful, with no effective safeguards for those at or near the bottom of the economic scale.

Sheinkman called upon working people to "hunker down, persist in unity" to stem inflation, cut unemployment, lower interest rates, protect human rights and "overcome the catastrophe of Reaganomics."

AFTER HEARING a status report from PATCO negotiator Dennis Reardon, the delegates shouted approval of a resolution calling on the Administration and the Dept. of Transportation to rehire the 12,000 experienced air traffic controllers fired in August, and to "end the union-busting vendetta against their union, PATCO."

The delegates also spelled out policy in a series of resolutions and heard from a number of other speakers.

Among these were Steelworkers District Director Bruce Thrasher; AFL-CIO Region V Director James Sala; Regional COPE Director Clement Dowler, Rep. Butler Derrick (D-S.C.); Jean B. Savoy, United Way Southern Region labor liaison representative; E. T. Kehrer, AFL-CIO Southern Area civil rights director, Norman Hill, president of the A. Philip Randolph Institute and attorney James Bell.

Georgia Convention Slates State Solidarity Day Rally

Savannah, Ga.—The 400 delegates to the Georgia AFL-CIO's annual convention adopted an eight-point legislative program that will serve as a rallying point for Georgia Solidarity Day.

Modeled after the Sept. 19 national Solidarity Day in the nation's capital, the statewide observance is set for January 1982, when the Georgia General Assembly convenes. State AFL-CIO President Herbert H. Mabry said that labor would demand on that day that state legislators take a stand on the eight key issues debated at the convention.

THE STATE AFL-CIO seeks passage of legislation to give public employees the right to bargain collectively, increase consumer protection, improve workers' and unemployment compensation benefits, ratify the Equal Rights Amendment, permit voter registration by mail and carry out tax reforms.

Mabry noted that more than 3,000 Georgians made the trip to Washington in September for the national Solidarity Day and called for even broader participation in the state rally "so there will be no doubt in the minds of politicians about where Georgia's workers stand on these issues."

Breaking with a long-standing policy of not inviting political figures to address the convention, Mabry asked Rep. Wyche Fowler (D) of Georgia's 5th District to speak because he was the only member of the state's congressional delegation to vote "right" in labor's view on President Reagan's budget reductions. Fowler attacked Reagan's economic plan as unfair to workers.

OTHER SPEAKERS at the three-day convention included Machinists President William W. Winpisinger; AFL-CIO Region V Director James Sala; Tim Ryles, administrator of the Georgia Consumer Affairs Dept.; Sherry Schulman, president of ERA Georgia; Area COPE Director Clem Dowler, and Chester Dunham, president of the state A. Philip Randolph Institute.

Delegates re-elected the federation's top three executive officers — Mabry, Sec.-Treas. Martha True, and Executive Vice President H. F. Ellington—without opposition. In addition, they elected 10 district vice presidents, four of them new, and honored Michael J. Counihan, executive vice president of the Georgia AFL-CIO for the past 19 years, who left office a few months before the convention for personal reasons.

Container Deposit Bill Sets High Cost in Jobs

The cost in lost jobs is too high a price to pay for the uncertain benefits of a mandatory deposit on beverage containers, the AFL-CIO testified at Senate hearings.

Legislative Rep. Kenneth Peterson acknowledged "the good intentions" of sponsors of mandatory deposit bills, but stressed that disposal of beverage cans and bottles is only part of the overall problem of solid waste disposal and increased recycling of discarded packaging.

Congress has already directed a comprehensive study of resource conservation issues, Peterson noted. Consideration of mandatory deposit legislation should await the study's findings, he suggested.

Price Climb At Wholesale Level Persists

Wholesale prices rose six-tenths of 1 percent in October, largely the result of the higher cost of 1982 model passenger cars, the Bureau of Labor Statistics reported.

The increase in BLS's producer price index for finished goods followed smaller rises of two-tenths of 1 percent in September and three-tenths of 1 percent in August.

Farther back in the supply pipeline, the prices for intermediate goods showed no change, and prices for raw materials fell 1.7 percent over the month, the third consecutive monthly decrease.

DESPITE CHEAPER energy and food bills, the October wholesale price increase was the highest since a jump of eight-tenths of 1 percent last April. The government's producer price index was 7.3 percent higher than 12 months earlier.

Besides new cars, higher prices were posted for newspapers, periodicals, books, tobacco products, costume jewelry, drugs and cutlery. In contrast, prices declined for cosmetics and sterling flatware.

Prices for finished consumer food items edged down two-tenths of 1 percent, following no change in September. Beef and veal prices declined after rising in the previous month. Prices also fell sharply for fresh and dried vegetables, peanut butter, and milled rice. On the other hand, prices advanced for fresh fruits, eggs, soft drinks, fish, roasted coffee, vegetable oil end products, and refined sugar.

THE COST OF home heating oil for dealers fell 1.4 percent, the fourth consecutive monthly decline. Gasoline prices moved up four-tenths of 1 percent, however, after falling in each of the previous five months.

Capital equipment costs rose nine-tenths of 1 percent after showing no change in September. Most of the upturn was due to higher motor vehicles prices. Among other capital goods, machinery prices were higher last month in construction, printing, the bakery industry, and mining.

Prices fell for aircraft, railroad equipment, office machinery, and industrial material handling equipment.

Emmet Andrews Dies at 64; Led Postal Workers

Walnut Creek, Calif.—Emmet Andrews, former president of the Postal Workers and a vice president of the AFL-CIO until his retirement last August, died here at the age of 65 after a stroke.

In a letter to his wife, Elizabeth, AFL-CIO President Lane Kirkland and Sec.-Treas. Thomas R. Donahue quoted from the resolution adopted by the Executive Council when Andrews retired. It cited his steadfast "devotion to the cause of democracy and human rights" and a lifetime of "service to American workers."

ANDREWS BECAME a union member when he went to work as a postal clerk in San Francisco. He moved through the ranks to become president of his local, was elected a full-time regional vice president in 1962 and came to the union's Washington headquarters in 1966 in the elected post of executive aide. He was the APWU's director of industrial relations when he was chosen by the union's executive board in 1977 to fill the unexpired term of President Francis S. Filbey, who died in office.

At the AFL-CIO convention later that year, Andrews was elected a vice president of the federation. He won election to a full two-year term as president of the APWU in 1978, but lost his bid for reelection in a four-way contest last year.

Contributions in his memory may be made to the union's E. C. Hallbeck Foundation, the Andrews family advised.

Convention Caps Celebration

Centennial Observance Highlights Labor's Role

New York—The celebration of the modern labor movement's 100th anniversary has given labor an opportunity to highlight its role in a democratic society, the Executive Council report points out.

The AFL-CIO convention that opens Nov. 16 in New York will cap a year-long observance of the modern trade union movement's first century of service to working people, the council report said, emphasizing that the centennial celebration has been linked to labor's present-day activities and future goals while using the lessons of the past to illustrate the importance of organized labor in protecting workers' rights and interests.

THE AFL-CIO is the direct descendant of the Federation of Organized Trades & Labor Unions, launched Nov. 15, 1881, in Pittsburgh by 107 delegates representing unions and local labor assemblies. Its founding established the first continuing national trade union organization in American history.

The council report emphasizes that the centennial has been a vehicle for increasing public understanding of the role and functions of unions at a time when labor's programs are under attack and its gains threatened.

CENTENNIAL materials prepared for the observance include major films and books describing labor history, a centennial emblem and slogan, posters, press materials, brochures and pamphlets, fact sheets and television spot announcements.

Special events include the publication of a new biography of the late AFL-CIO president, George Meany, as well as inauguration of the AFL-CIO's new Human Rights Award established in his memory. The award will go to Solidarity, the Polish labor movement.

Federation President Lane Kirkland issued the call for a centennial observance in December 1980, the 25th anniversary of the merger of the AFL and CIO.

A centennial subcommittee of the Executive Council was established, the report notes, and members include AFL-CIO Sec.-Treas. Thomas R. Donahue and Vice President Frederick O'Neal, Charles Pillard, Sol C. Chaikin, Albert Shanker and Glenn E. Watts.

GUIDELINES approved at the August 1980 meeting of the council stressed that the year-long program would emphasize labor's future challenges as well as its past accomplishments, explore new means to serve workers and increase public understanding of labor's role in strengthening American democatic society.

Union members and their families were urged to plan and participate in anniversary events, the council report notes, adding that emphasis was placed on linking some activities to Labor Day.

Centennial activities spotlighted by the council report include:

- Design and distribution of a centennial emblem that incorporates the clasped hands symbol used by the AFL-CIO since the founding of the first federation in a modern format.
- Creation of a slogan, "A Century of Achievement/A Challenge for the Future," for use on bumper stickers, posters, banners, postal indicia and in printed materials.
- Posters for use in schools and union halls based on Samuel Gompers' 1893 "More" quote, and an original lithograph and poster designed by American artist Robert Rauschenberg.
- A new, concise illustrated history of the American labor movement in both a 36-page, color format and a condensed version reproduced in the American Federationist. Additional centennial articles in the Federationist included histories of the Carpenters and the Boilermakers, also observing centennials, as well as the history of the use of the union label and biographies of the presidents of the AFL and the CIO.
- "A Time of Challenge," a 27-minute color film with a soundtrack featuring labor songs, which traces the growth of the American trade union movement, and a 12-minute color presentation, "Achievement and Challenge," for use in schools and union halls and available in film, videotape and filmstrip.
- Six "Centennial Moment" television spots, each featuring a significant event in labor history, which have been distributed to television networks and stations.

The council report points out that centennial events at the convention will include distribution of a new biography by Archie Robinson, published by Simon & Schuster, Inc., titled "George Meany and His Times."



SOLIDARITY POSTER widely distributed by the Food & Beverage Trades Dept. this year is displayed by FBTD Sec.-Treas. Rhonda Allgaier, right, and New York City Councilwoman Carol Bellamy, who addressed the department's convention. The poster was designed by Peter Allstrom, research and communications director of the department.

Japan Labor Backed on Call For Soviet Return of Islands

Nosappu Point, Japan—The AFL-CIO reaffirmed its support for the return of the disputed "northern territories" to Japanese sovereignty and control at a rally here sponsored by the Japanese Confederation of Labor (Domei).

"It is time for the Soviet Union to return these islands to Japan," Federation President Lane Kirkland said in a message delivered by AFL-CIO International Affairs Rep. James Ellenberger.

"IT IS TIME for the USSR to negotiate a treaty with Japan formally establishing peace between your two countries. It is time to end this shameful chapter in relations between countries," Kirkland's message stressed.

Close to 1,000 trade unionists from all parts of Japan attended the rally following a seminar on the territorial issue at Nemuro, the closest city to the northern islands. From Nosappu Point, all but one of the islands were visible to the crowd.

The northern territories, comprising Etorofu, Kunashiri, Shikotan and Habomai, have always belonged to Japan. At the close of World War II, however, the Soviet Union occupied the islands and expelled more than 16,000 Japanese. Meanwhile, the USSR has refused to negotiate a treaty with Japan formally ending the war and since 1978 has built up its military forces on the islands.

DOMEI, WHICH has been at the forefront of efforts to get the Soviets to return the northern territories, sets aside August and September each year to campaign intensively for a settlement of the issue. The AFL-CIO has consistently supported its efforts.

"These islands are part of Japan, and that fact cannot be changed by the illegal actions and occupation by the Soviet Union," Kirkland said. "This issue is not only one of national pride over the ownership and control of land. It involves the fundamental question of human rights and human dignity."

KIRKLAND SAID that Soviet seizure of the northern territories in 1945 established "an imperialistic pattern of expansionism" which Moscow has manifested time and again in Eastern Europe and most recently in western Asia. He questioned Soviet intentions toward Japan and other Asian countries, noting the military buildup over the past four years on the Japanese islands.

In addition, Soviet naval strength in the Far East today totals a million and a half tons, an increase of 270,000 tons in the past three years, he pointed out.

Stepped-Up Organizing Produces Gains

New York—A number of significant organizing achievements have been made by AFL-CIO affiliates since the federation's last convention, despite the stepped-up activities of management "consultants" seeking to thwart workers' efforts to form unions and bargain collectively, the Executive Council reported.

"Perhaps even more important than the gains actually registered in the past few years is the fact that the AFL-CIO and its affiliates are increasing the amount of resources devoted to organizing, including programs aimed at improving organizing effectiveness," the council observed.

ORGANIZING statistics for private sector representation provided by the National Labor Relations Board revealed significant improvement over the two years prior to the last convention. And statistics for the 1979 fiscal year and the first three quarters of the 1980 fiscal year show an even greater rate of gain, with AFL-CIO affiliates organizing 209,682 employees.

"Assuming that this level of growth continues through the final quarter of fiscal year 1980, when all of the figures are in," the council said, "a total membership representation increase for the two-year period in excess of 230,000 will occur."

One of the most successful organizing strategies developed in recent years has been the concept of cooperative organizing, the council said. Such strategies over the years have proved highly successful in the Los Angeles area, in Florida, Puerto Rico, Cincinnati, Indiana, and Arkansas.

RECENTLY, the New England AFL-CIO regional office established a New England Organizing Committee involving regional vice presidents and directors of organization from 22 international unions. The formation of this program signals a determination by union leaders in New England to reverse the downward organizing trend in that region in the past few years, the report observed.

The Houston cooperative organizing program will be the most ambitious program to date, the council said. A report of the council's Committee on Organization & Field Services in February 1980 noted that there were more than 700,000 organizable employees in the metropolitan area.

A well-developed media campaign will be an integral part of the Houston drive, along with involvement of community support groups and the use of polling and computers, the council said.

LABOR'S continued organizing gains are all the more remarkable considering the intensified activity of labor-management consultants who "skirt, and frequently violate, the law in an unbridled effort" to prevent workers from unionizing, the council observed.

"Available information indicates that labor-management consultants are involved in two of every three elections. In larger units their involvement is even greater," said the council. One study showed that in 65 percent of the cases, consultants remain involved long after the election is won to thwart attempts to gain a contract.

"Even where there has been a long established and mutually satisfactory collective bargaining relationship," the council pointed out, "consultants are being employed to destroy that relationship and break the union."

A DISTURBING trend has been the labor-management consultants' involvement with Japanese firms operating in the United States, the report noted. Such firms have turned increasingly to union-busting consultants to block efforts to their U.S. employees to organize, it said.

The AFL-CIO has initiated a number of programs and special projects to expose and limit the effectiveness of management consultants, and state and local central bodies have been active on the local level in responding to the threats posed by them.

On the legal front, the NLRB, at the urging of the Teachers, has proceeded against the biggest union-busting firm, Modern Management, Inc., by issuing a complaint against it for its role in an AFT organizing campaign. If the firm is found in violation, it should have a substantial impact on its tactics in future campaigns involving other employers, the council noted.

NLRB Bars Boycott Of Cargoes to Russia

The National Labor Relations Board has ruled against the Longshoremen's 1980 boycott of goods destined for or originating in the Soviet Union, rejecting an NLRB administrative law judge's finding that the boycott was a political dispute outside the board's jurisdiction.

The boycott began on Jan. 9, 1980, two weeks after the USSR invaded Afghanistan.

White House Policies Spur Anti-Unionism

New York—The collective bargaining climate "is becoming polluted by growing anti-union smog" fed in part by the Reagan Administration's position on the air controllers strike, the Executive Council warned in its report to the convention.

Members of the Professional Air Traffic Controllers Organization, failing to achieve a satisfactory contract, struck last August for shorter hours, earlier retirement and better salaries. The Administration's response was to fire the 11,500 striking controllers, and take steps to destroy the union, the council noted.

MEANWHILE, it said employers—taking their cue from the Administration—are seeking to undercut existing bargaining relationships and to roll back many hard-won contract terms and conditions. Despite this strategy, the council said, unions are showing strength and resiliency in improving contract terms.

American workers over the last 10 years have been forced to shoulder unfair burdens, the council declared. Average hourly earnings increased between May 1979 and May 1981 from $6.08 to $7.17 but due to inflation, the real value of those earnings represented a net loss of 7 percent.

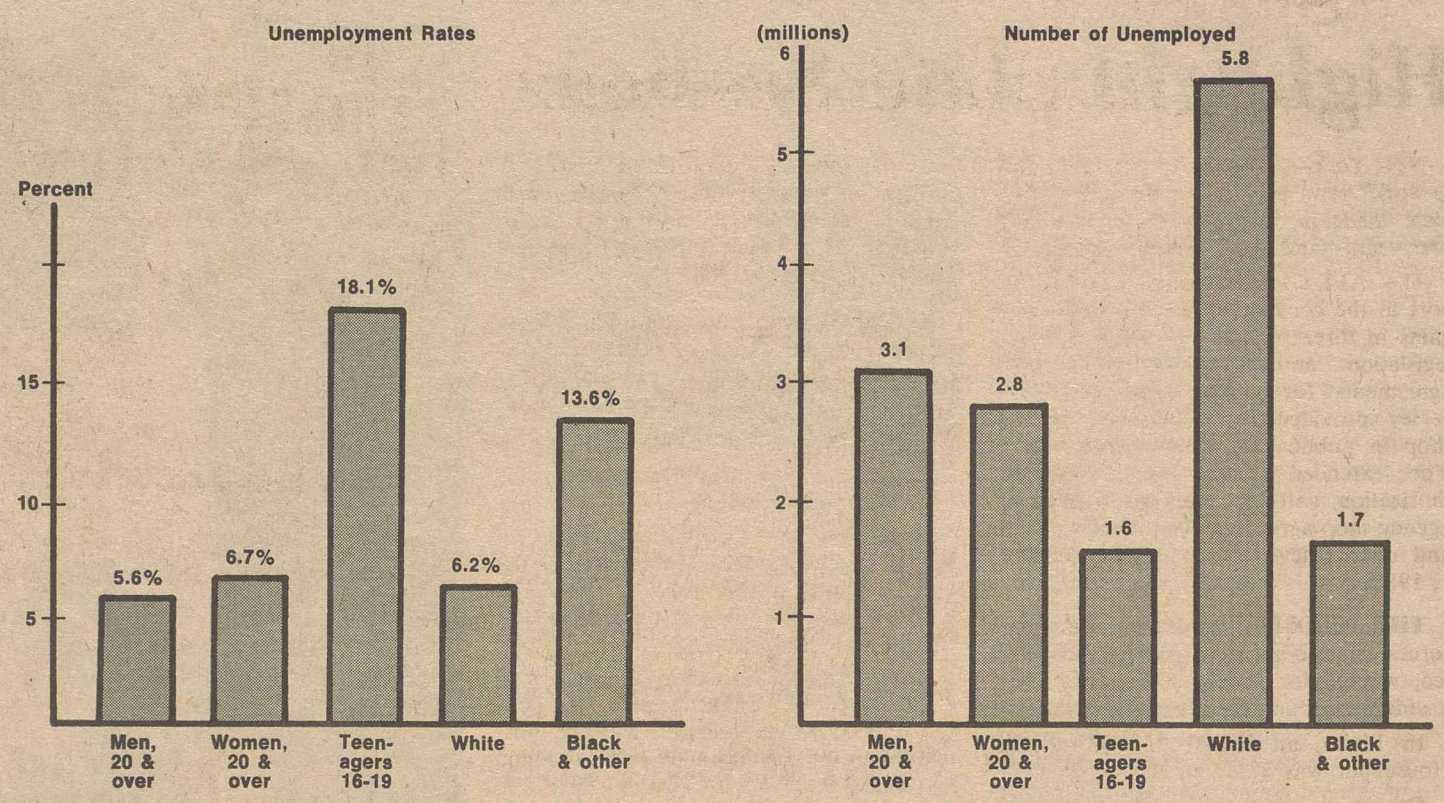
Union members have done better than the average worker in facing up to inflation. Wages and salaries of non-union workers increased 8.5 percent between 1978 and 1979 while the union members' wages rose 9 percent. The same comparison for 1980 is 8 percent for the unrepresented worker and 10.9 percent for the worker under union contract.

THE AVERAGE union wage increase taking effect in major agreements during 1980 was 9.9 percent, up modestly from 9.1 percent in 1979 and 8.2 percent in 1978. However, these wage increases fell short of the increases in prices of 12.5 percent in 1980, 13.4 percent in 1979, and 9 percent in 1978.

Federal employee pay continues to be used for political purposes, the council charged, and pay increases have been less than for comparable private sector jobs even though the 1970 Pay Comparability Act requires such comparability. Major state and local government settlements also have lagged behind in living costs.

JOB SECURITY and income protection remain matters of major concern, the council said, but the methods of dealing with the prospect of layoff and plant relocation have differed widely.

The report cited the Food & Commercial Workers' agreement with A&P covering 12,000 workers in 265 supermarkets which provides a lump-sum payment of $300 for each consecutive year of employment for the long-term employee in the event the store is closed.



Source: Bureau of Labor Statistics.

Job Losses, Social Program Cuts Products of Reagan Budget Drive

New York—Drastic job losses and deep cuts in the nation's basic social and public investment programs will result from Administration cuts in the federal budget for the 1982 fiscal year, the Executive Council warned in its report on the state of the economy.

Direct job losses from the cuts will amount to well over one million, the council predicted. And additional jobs will be lost from the secondary or "ripple" effects of the program slashes.

THE 1982 CUTS total $40 billion and are concentrated in social programs. The reductions are key parts of the Administration's reallocation of income and wealth from low and middle-income families to the rich and to the big corporations, the council observed.

"The federal spending reductions will devastate programs that build up the nation's economic infrastructure through public investment," the report warned. "In essence, workers, children, retirees, students, the unemployed, and the sick are the ones who are forced to sacrifice.

"At a time when the after-tax incomes of the wealthy are being increased, there is no justification for the devastation of social security, Medicare, Medicaid, unemployment insurance, trade adjustment assistance, Comprehensive Employment & Training Administration programs, student loans, food stamps, Aid to Families with Dependent Children, and housing assistance."

THE 1982 BUDGET cuts are only the beginning. In fiscal 1983, there are proposals for additional, as yet unspecified, reductions of $30 billion, cuts of $44 billion in 1984, additional cuts of $39 billion in 1985, and more cuts totaling $42 billion in 1986.

The negative effects of the budget cuts are magnified by inflation, which at double-digit levels during the last two years robbed workers' paychecks of almost 10 percent in real buying power, the council observed.

Meanwhile, the economic expansion that brought the country back from the severe 1974-75 recession came to a halt last year as real gross national product—the economy's total output of goods and services—dropped at an annual rate of 9.9 percent during the second quarter. This was the largest quarterly decline recorded since the end of World War II. Growth over the next few quarters offset the sharp decline, but the economy again turned down in the second quarter of 1981, as real GNP fell by 2.4 percent.

Layoffs and the inadequate increase in job opportunities produced a sharp increase in the number of jobless workers. Unemployment soared from 5.6 to 7.6 percent between July 1979 and July 1980, and was still at 7 percent a year later. Since the period covered by the council report, the jobless rate has climbed to 8 percent.

Since the 1974-75 recession, joblessness never has dropped below 5.6 percent, compared to unemployment rates of less than 5 percent prior to that recession and less than 4 percent in the 1960s, the council noted. The figures are monthly averages. The total number of men and women unemployed during the course of a year is substantially higher, generally three or four times the number of jobless persons in any month.

Thus, in 1980, there were 25 to 30 million workers who suffered periods of joblessness, the council pointed out. Unemployment has worsened critically for blacks and other minorities, but jobless rates also rose sharply for white adult males.

THE INCREASE in unemployment resulted from direct layoffs and a failure of jobs to increase in line with the growing labor force. Between July 1979 and July 1981, the total number of jobs increased by 1.9 million, the smallest rate of growth over any similar period in the past 25 years except for the deep recession of 1974-75.

Inflation, the other scourge of workers in recent years, has made workers and their families, retired persons, and low-income groups particularly vulnerable, the council observed. Increases in the prices of the necessities of life have been especially serious during the last two years.

Consumer prices rose by 12.5 percent in 1980, slightly slower than the 13.4 percent rate of 1979, and by 10 percent in the 12 months ending in July 1981. Energy prices rose 14 percent, reflecting the oil decontrol early in 1981.

RISING PRICES have washed away the value of dollar gains in paychecks during the past two years so that workers and their families have suffered deep cuts in purchasing power and in their standard of living, the council said. After inflation and taxes, the buying power of the average wage and salary earner's paycheck in July 1981 was 9.7 percent below the July 1979 level.

20 Local Unions Shift Affiliation To Internationals

New York—Twenty local unions directly affiliated with the AFL-CIO chose during the past two years to become affiliated with national or international unions, the Executive Council reported to the convention.

The transfers, the council noted, were carried out in accordance with established policies and procedures, and reflected the desires of the members of the locals for active participation in the affairs of national or international unions with similar concerns.

Since the last convention two years ago, three directly affiliated local unions with a membership of 106 were disbanded and one with membership of 96 merged.

As of June 30, 1981, there were 78 directly affiliated locals with a membership of 23,839. This compares with 102 locals with 27,057 members at the start of the two-year period.

Mediation Proves Success In Resolving Most Disputes

New York—The AFL-CIO Internal Disputes Plan, adopted at the 1961 convention, continues to serve as the primary mechanism for resolving disputes between affiliates, the Executive Council said in a report to the 14th biennial convention here.

Since the plan went into effect, 1,219—or 57 percent—of the 2,129 complaints filed with the AFL-CIO president's office have been settled through discussions and mediation between the organizations involved, the council said.

IN THE TWO-YEAR period through June 30, 1981, 90 cases were settled and 21 were still pending at the end of the period.

In cases not resolved in mediation, which is the first step of the internal disputes machinery, three impartial umpires hear the parties and issue determinations. Since the program began, 904 umpires' determinations have been issued. In the past two years, determinations by umpires resulted in violations being found in 53 cases and not found in 25. Justification reports were issued in three instances and three cases remained pending.

Appeals from the decisions of umpires are considered by a rotating three-member subcommittee of the Executive Council. In the two-year period since the last convention, umpires' determinations were sustained in 26 appeals, eight appeals were withdrawn, 10 were submitted to the full council where the determinations were affirmed, set aside or modified, and six were pending at the end of the period.

THE COUNCIL reported that since the beginning of the plan through last June 30, 15 affiliates were found to have failed to comply with decisions of impartial umpires or directions of subcommittees in 26 cases. Compliance was later achieved in most instances.

At the time of the report, two unions remained in noncompliance and subject to sanctions required by the AFL-CIO constitution: the International Typographical Union and the Graphic Arts International Union.

Legislative Roundup

'Right-to-Work' Defeats Highlight State Sessions

New York—Attempts to impose "right-to-work" laws prohibiting the union shop were made in 11 states during the past two years—and were unsuccessful in all.

The AFL-CIO Executive Council report to the convention noted also positive gains in three other states which adopted legislation authorizing union security agreements for public employees. New Jersey provided for a modified agency shop in public employee contracts; New York extended existing agency shop authorization, and a California law allowing agency shop agreements at the city, county and district level becomes effective Jan. 1, 1982.

THE CLOSEST the "right-to-work" forces came to a victory was in New Mexico, where Gov. Bruce King's veto kept a union shop ban from becoming law.

In Idaho, an R-T-W bill passed the House but was killed in the Senate.

Otherwise, "right-to-work" bills were soundly beaten in votes of one or both houses of the legislatures of Illinois, Maine, Montana, New Hampshire, Oklahoma, and Vermont.

The anti-union bills were killed in committee in Maryland and West Virginia, and an initiative petition in Colorado seeking a constitutional ban on union security for public employees failed to get the signatures needed to get on the ballot.

AS IN PAST campaigns, the Executive Council notes, "state labor councils were able to muster support from all segments of the labor movement."

The past two years also saw a strong employer-pressed attack on prevailing wage statutes—so-called "little Davis-Bacon Acts." Here, the results were mixed.

State prevailing wage laws were repealed in Alabama and Utah and killed by an unfavorable court decision in Arizona, the council report noted. A veto was necessary to prevent repeal in Colorado and New Mexico.

ON THE PLUS side, efforts to weaken or repeal prevailing wage laws were defeated in the legislatures of Arkansas, California, Connecticut, Idaho, Illinois, Kansas, Kentucky, Louisiana, Minnesota, Nevada, New Hampshire, Oklahoma, Pennsylvania and Texas.

In other areas, there were modest gains although generally short of what the labor movement had sought.

Major improvements in unemployment benefits were reported in Illinois and Michigan, and in a number of states the ceilings on unemployment insurance and workers' compensation moved up automatically as a result of higher average weekly wages in the states.

THESE GAINS were more than offset, however, by the sharp curtailment of the extended unemployment insurance program and other regressive steps adopted by Congress at the urging of the Reagan Administration.

A separate section of the council report dealing with unemployment compensation contrasts the backward actions taken with the ignored recommendations of the National Commission on Unemployment Compensation, which last year recommended federal minimum benefit standards and other improvements.

Likewise, in the area of workers' compensation, not a single state is yet in compliance with all of the recommendations made by a national commission nearly 10 years ago.

THE COUNCIL noted that the 1972 report recommended that the states be given until mid-1975 to comply with the essential recommendations, and that Congress should then act to impose federal standards that would assure compliance.

"Rather than requiring states to correct deficiencies in their laws," the council reported, "both the Reagan Administration and some members of Congress are proposing changes in the Longshoremen's & Harbor Workers' Compensation Act and the Federal Employees' Compensation Act . . . that would slash benefits and reduce coverage."

On the positive side, the council noted that California has established a special state fund to assist victims of asbestosis and has required employers to post warnings to workers of any exposure to toxic substances.

NEW JERSEY adopted legislation allowing payroll deductions for public employees for voluntary contributions to union welfare, political action, charity, legal defense and educational funds. The council report also cited a constitutional amendment in Minnesota placing campaign spending limits on candidates in state elections who accept public funds.

The council reported active union support for efforts, still unsuccessful, to get the Equal Rights Amendment ratified in additional states. It also noted success in turning back attempts in seven states to rescind previous ratifications.



CEMENT, LIME & GYPSUM workers involved in a bitter dispute with the union-busting Moore-McCormack Co., picket the firm's Kosmosdale, Ky., plant. Among other demands, the company wants to wipe out job security, cut holidays, and impose overtime. Workers have been on strike since May.

Labor's Community Services Confront Test of Recession

New York—A challenge to the quality of community life must be met by the expanded involvement of organized labor in community services, the Executive Council stressed in its report to the convention.

The council pointed out that the Reagan Administration's budget cuts "will have a negative impact on local voluntary agencies" and that there is "little hope" they can make up losses in federal funds from private contributions.

THE AFL-CIO can play an important role in aiding those agencies, it noted.

There are now 262 full-time AFL-CIO community services representatives who conduct union counseling training programs, organize fund-raising drives and operate referral services. The total includes 72 who have been designated to work with the federation's Dept. of Community Services since the 1979 convention, the report noted.

As the economy turns down, the council observed, more community services labor representatives will be needed to provide services to workers facing a variety of needs and hardships.

ONE OF THE major concerns, the council report emphasized, is preparations to ease the harsh impact of plant closings on workers and their communities, a growing problem as more companies close or relocate both in the United States and overseas.

The report also calls for greater development of employee assistance programs as part of collective bargaining agreements. These benefits, which began as alcoholism counseling programs, have grown in recent years to include help for workers with many other family and personal problems, the council noted.

The council reported that 30 local central bodies and two AFL-CIO state federations provide community services programs to union members through United Labor Agencies.

THE COUNCIL stressed the strong relationship between the United Way of America, the American Red Cross and other voluntary charitable agencies.

The report pointed out that American workers through payroll checkoffs provide $841,999,246 of the United Way funds, 62.4 percent of the total and double the amount of corporate giving.

Since 1979, the council noted, a memorandum of understanding has existed between the AFL-CIO and United Way which pledges labor's cooperation with the agency's programs and encouragement of giving and participation among union members.

THE COUNCIL noted, however, that some United Way agencies have attempted to prevent their employees from organizing unions or have ignored other provisions of the memorandum. It urged local unions to report violations of the agreement to the federation's Dept. of Community Services.

The AFL-CIO and the American Red Cross have enjoyed close relations since 1923 when Samuel Gompers joined the agency's governing board, the council report said.

Labor's cooperative programs with the ARC, which is also celebrating its centennial in 1981, include bloodbanking, safety programs, disaster relief, first aid training, help for the unemployed and other volunteer services.

THREE UNIONS, the International Brotherhood of Electrical Workers, the Clothing & Textile Workers and the American Federation of Teachers, have signed agreements with the agency to step up participation in the blood bank program. Similar agreements have been signed by state federations in Ohio, Michigan, Illinois, Florida, Arkansas and Maryland, the council reported, and the Machinists and ACTWU each set aside a month in 1981 as blood donor recognition month for their members.

A new agreement will expand the use of union halls by the Red Cross for disaster relief services, with the IBEW, Communications Workers, Plumbers and Carpenters already participating in the program.

Anti-Union Climate Spurs Attack on Wage Standards

New York—Long-established labor standards that provide workers basic protections on wages and hours have come under increasing attack by conservatives and business groups since the 1980 elections, the Executive Council noted in its report to the convention.

The Davis-Bacon Act, which requires that construction workers be paid the prevailing local wage on government-funded projects, is the target of legislation in Congress ranging from outright repeal to extensive cutbacks in coverage.

THE COUNCIL noted that protections are also being eroded by actions of the Reagan Administration affecting the coverage of both the Davis-Bacon and Service Contract Acts.

The council's report also cited attempts by conservatives to enact a reduced minimum wage for teenagers through amendments to the Fair Labor Standards Act.

This campaign for a subminimum wage is based on the false premise that the high rate of unemployment among minority youth is justification for paying lower wages, the council noted.

Warning that a subminimum wage would destroy the law, the council charged that "the true goal of advocates of a subminimum wage is lower wages and high profits, not a reduction in unemployment."

IT ALSO pointed out that the existing minimum wage has not kept pace with the rate of inflation, with the current $3.35 an hour minimum yielding far less in purchasing power than the $1.40 an hour provided in 1967.

Another prime concern of the council is Labor Sec. Raymond J. Donovan's move to rescind a 40-year-old federal restriction on industrial homework, which would roll back worker protections on wages, hours and child labor. Last month, Donovan lifted the ban on homework in the knitted outerwear industry.

The convention report also warned that one of the oldest labor standards—the eight-hour day—is being threatened by legislation now before Congress that would allow a 10-hour day, four-day workweek without the payment of overtime under the Walsh-Healey and Contract Work Hours & Safety Standards Acts.

Fair, Humane Policy Backed On Immigration

New York—The nation's immigration policy should be fair and humane yet protect the "well-being of American workers," the AFL-CIO Executive Council said in its report to the convention.

The council report praised the findings of the Select Commission on Immigration & Refugee Policy, appointed under the Carter Administration. Many of the commission's recommendations parallel AFL-CIO positions, the council observed. It said the Reagan Administration's proposals, released in July, provide "a framework for action" but include several segnificantly negative features."

The commission's report made public in March offered "a positive step toward establishing a fair and comprehensive approach to immigration reform," the council said.

The commission, headed by Rev. Theodore M. Hesburgh, president of Notre Dame University, included among its 16 members Vice President J. F. Otero of the Railway & Airline Clerks.

Our Second Century

WE BEGIN our second century at a time of severe economic dislocation, facing an Administration whose social philosophy shows no advance from the thinking of business leaders of a hundred years ago.

They believe that the job of government is to help the rich to accumulate more capital at the expense of all who are not rich.

They object, in the name of freedom, to any efforts by government that tend to reduce inequality among the American people and to prevent the exploitation of the weak by the strong.

THEY OBJECT to the use of public resources to heal the sick, to feed the hungry, and to house the homeless.

They object to federal programs that help educate children, train the unskilled, create useful jobs for the unemployed and stave off destitution among the aged and the disabled.

They object to federal health and safety regulations that protect workers.

All of these programs, labor fought for.

This year, as we cross the threshold into our second century, the labor movement stands as the strongest, most unified force defending the rights of the American people—and we have a fight on our hands.

There's nothing new in that. There has never been a time when our gains were safe or secure.

WE HAVE FOUGHT against entrenched and determined opposition for a hundred years, many times against greater odds than we face today, and we are certainly not about to abandon the struggle now.

On Sept. 19—Solidarity Day—American workers gave their response to President Reagan's claim that he, and not the labor movement, speaks for American workers.

Hundreds of thousands of trade unionists and their allies marched in the largest protest demonstration ever held in the nation's capital to show that they have lost none of their desire to speak for themselves through the democratic institutions they created for that purpose a hundred years ago.

NO ONE demonstration, however massive and spirited, can reverse the course of this Administration. But Solidarity Day 1981 was only the beginning.

In the months ahead, the trade union movement and its friends will be working together for a successful Solidarity Day 1982—which falls on Nov. 2.

On that day, Election Day, in every state and congressional district, we intend to do everything in our power to elect a Congress that will reverse Mr. Reagan's program and restore government to its constitutional purpose of promoting the general welfare and providing for the common defense.

We have exactly 51 weeks. I have every confidence that the affiliates will do their part—and more.

—AFL-CIO President Lane Kirkland to the Metal Trades Dept. convention, Nov. 9, 1981.

AFL-CIO News

Official Weekly Publication of the
American Federation of Labor and Congress of Industrial Organizations
LANE KIRKLAND, *President*
THOMAS R. DONAHUE, *Secretary-Treasurer*
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INTERNATIONAL LABOR PRESS AFL-CIO/CLC ASSOCIATION

'Steady as She Goes!'



Multi-Flavored Menu

Political Party Smorgasbord Offers All Things to All Voters

By Gus Tyler

POLITICIANS are Crooks. That is not my opinion, necessarily. It is the name of a political party that ran its candidates in the recent elections. The initials for the outfit are, of course, PAC—an acronym that usually stands for Political Action Committee.

"Politicians Are Crooks" is not the only party with an exotic name to run candidates this year. There are, literally, dozens of such organizations, offering up to Americans an extensive smorgasbord for all those who are fed up with the usual two-party diet.

CONSIDER, for example, the names of the parties that appeared on the ballot in the New York, New Jersey, Connecticut area this last Election Day.

There are the "down-with-them" folk who proclaim their dissatisfaction with institutions. "Politicians Are Crooks" falls into this category. Then there are the DWL—Down with Lawyers—and the even more irreverent CC—"Contempt of Court"—with its open assault on the judiciary.

Several parties take sharp aim at specifically oppressive circumstances. Over in Bergen County, N.J., there is the BHR—the Bergen Home Rule Party—that seeks liberation from the tyranny imposed by the State of New Jersey. The UT comes right to the point by translating its initials into the Upset Taxpayers Party. Even more specific in its anger is the STI—the Stop Transit Increases Party.

NOT ALL WRATH is as focused as in the examples just cited. There is TSM, for instance, that expresses a sort of diffuse malaise in the name of The Suffering Majority Party. That negative mood has its positive counterpart in the EQA, an obvious play on the ERA (Equal Rights Amendment) by calling itself the Equality for All Party.

Then there are the righteous parties, wearing their bleeding hearts on their sleeves, reminding us of good old-fashioned American virtues. There is LEE, for instance, standing for Leadership By Example—a noble posture. There is IHA, Independent-Honest-Available—a rara avis in the world of realpolitik.

LO speaks forthrightly for the Law and Order Party—the basis of any solid civilization. In line with the ancient American belief in things forever going forward and upward and betterward, there is CFP—Citizens for Progress. A pragmatic modification of that theme is repeated by FNC, the For Needed Change Party.

ONE PARTY goes by one initial, F, standing for the Federalist Party, which we thought had gone out of business around 1812. Then there is a party that is a non-party called NP—the Non-Partisan Party.

We have omitted more obvious names that appeared on the ballot, like Conservative, Liberal, Right to Life, Libertarian, Free Libertarian, Socialist Workers, Socialist Labor—and several lesser-known like Coalition, Independent Taxpayers, Taxpayers, Middle Class Candidate parties.

All in all, this is quite a multi-flavored menu, enough to suit the taste of even the most fussy. But if it doesn't please you, then you may—in this multiparty tradition—simply organize yourself into an FU—Forever Unsatisfied.

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Wage Standards Tied To Broader Issues

The basic purpose of remedial labor standards is to protect workers' wages, job security, benefits, and working conditions in the competitive process for government contracts.

Without these remedial labor standards, the competition for government contracts places workers on the horns of a dilemma—reduced wages or loss of jobs. They don't have even that option if the work moves to a new locality or a new employer.

The issue is much broader than simply wage-busting. It involves job security and the waste of our basic national resource—the skill and training of our citizens. It involves community disruption by the movement of contract performance to low-wage areas. It encourages management to compete for government contracts through wage-busting and job-poaching rather than sound management techniques and innovation.

—From testimony of AFL-CIO Sec.-Treas. Thomas R. Donahue at House hearings.

Nation's Press Reacts to AFL-CIO Solidarity Day

"All the News That's Fit to Print"

The New York Times

THE WEATHER

Metropolitan area: Variable cloudiness, breezy and cool today and tonight. Temperature range: today 55-71; yesterday 58-66. Details, page 45.

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ONE DOLLAR



240,000 IN CAPITAL RALLY FOR PROTEST OF REAGAN POLICIES

MARCH ON SOLIDARITY DAY

Labor and Civil Rights Leaders Deplore Proposals to Cut Major Social Programs

By SETH S. KING
Special to The New York Times

WASHINGTON, Sept. 19 — Members of organized labor and civil rights groups, angry over President Reagan's deep cuts in the social programs and changes in job safety rules that unions have promoted so fervently, streamed into Washington today by the tens of thousands of people to register their resentment in person.

The marshalling of the participants by the American Federation of Labor and Congress of Industrial Organizations for the Solidarity Day rally

Labor leaders' remarks, page 34.

marked the first effort by that organization to regroup its scattered forces and halt the decline of labor's political influence in the capital.

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"It cannot be doubted that the groups that sponsored the rally achieved a stunning success."

—Bill Serrin, N.Y. Times

News Analysis

WASHINGTON, Sept. 20 — The A.F.L.-C.I.O. and the 200 organizations that yesterday turned out a stunningly large crowd for Solidarity Day now face an even more difficult problem: organizing a movement, keeping it together, and bringing pressure on the Reagan Administration and Congress.

Little indication exists that leaders of the groups involved in the Solidarity Day protest had given extensive thought to what lies ahead. The question that Lane Kirkland, the merged labor movement's president and chief organizer of the demonstration, was musing is, "What do we do for an encore?"

The giant crowd stretched from the Washington Monument to a speakers' stand at the West Front of the Capitol was estimated by the National Park Service at 260,000 people and may have been larger. None of the speakers who

Sunday Sun-Times

Chicago, September 20, 1981

300,000 march on D.C.

'Reagan says cut back; we say fight back!'

By James Warren
Sun-Times Correspondent

WASHINGTON—With suppressed anger, 300,000 Americans streamed into the capital Saturday to warn President Reagan and Congress they are being bled by budget cuts.

Reagan relaxed at Camp David, Md., as a vivid cross-section of citizens maintained that he does not represent them, marching peacefully to an area spanning a mile between the Capitol and the Washington Monument.

"Reagan says cut back—we say fight back," the marchers shouted. Their words and songs were not new, but the marchers reflected an unmistakable dignity in an ancient rite, a protest against the established order, pitting the concerned against the comfortable.

Lane Kirkland, the steadfastly intellectual president of the AFL-CIO, underlined the theme of a rally that he conceived in

Los Angeles Times

260,000 Protest Reagan Policies

AFL-CIO and 200 Other Groups Launch Counterattack in Capital

By HARRY BERNSTEIN and WILLIAM J. EATON, *Times Staff Writers*

WASHINGTON—A massive counterattack against the economic and social policies of the Reagan Administration was launched here Saturday at one of the largest political demonstrations ever held in this country.

Leaders of the AFL-CIO, prime sponsor of the Solidarity Day march, and the nearly 200 other organizations that participated pro-

AFL-CIO Secretary-Treasurer Thomas Donahue told the crowd there were 400,000 of them, but park police put the figure at 260,000. The largest previous protest was the April, 1971, anti-war demonstration here that attracted 320,000. The Saturday demonstration was the largest protest march ever staged in this country by organized labor.

Weather

Today—Partly cloudy, breezy and cool, high 70-75, low tonight 45-55. The chance of rain is near 0 percent. Monday — Sunny and pleasant, high 70-75. Yesterday — 3 p.m. AQI: 25; temperature range: 69-54. Details on Page B2.

The Washington Post

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Living	E 1	Travel	E 4

104th Year ... No. 289 .. © 1981, The Washington Post Company SUNDAY, SEPTEMBER 20, 1981 Subscription Rates See Box on A2 G $1.00

250,000 March to Protest Reagan's Policies



Crowd Proclaims Labor's Solidarity

By Eric Pianin and Warren Brown
Washington Post Staff Writers

A massive wave of more than 250,000 persons gathered around the Washington Monument and marched to the Capitol yesterday to protest President Reagan's budget cuts and tax policies and to reaffirm the solidarity of the nation's labor movement behind its leaders.

Yesterday's Solidarity Day demonstration, organized by the AFL-CIO and civil rights groups and partly inspired by the successful workers' movement in Poland, was unprecedented in modern labor history and perhaps the largest political protest in Washington during the past 20 years. City officials reported only two arrests, both for minor incidents of disorderly conduct. In another incident,a CBS reporter was injured when he was ejected from a restricted area.

The crowd was a broad slice of America — a 38-year-old tool maker from Cincinnati who complained that only the rich were getting a break; a fourth-grade school teacher from Mahopac, N.Y., wearing a long flowing black cape bedecked with protest buttons, angry over cutbacks in the school lunch program.

There were ironworkers from New Jersey, sipping beer while they lamented the shortage of

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THE CHRISTIAN SCIENCE MONITOR

AN INTERNATIONAL DAILY NEWSPAPER

"As Solidarity Day ended, it proved at least one thing about the unions: they still know how to organize. From start to finish the march was orchestrated with near perfection. Buses and the subway system, which was chartered by the AFL-CIO, moved the thousands with few major hitches. Even as the rally was concluding on the west side of the Capitol, clean-up crews at the starting point of the march were gathering rubbish around the Washington Monument." —Julia Malone, Christian Science Monitor

Will rally restore labor's influence?

By Richard L. Strout
Staff correspondent of
The Christian Science Monitor
Washington

There could be no doubt after seeing perhaps a quarter-million anti-Reagan protesters assembled over the weekend on the grassy Washington Mall by Lane Kirkland, president of the AFL-CIO, that the eight-month-old Reagan administration has domestic trouble on its hands.

President Reagan promises more of the same in his fight against inflation, and charges that labor leaders don't represent the rank and file.

Mr. Kirkland and fellow leaders of the spectacular outdoor solidarity rally here Sept. 19 retort that the President has no mandate for cutting social programs to make way for tax cuts and increases in defense.

On both sides it is an unusual kind of confrontation. The physical success of

Nearly everybody seemed to feel the great meeting was somehow historic, but it was uncertain for what. Statements from political leaders followed: Mr. Reagan from Camp David – placatory; Vice-President George Bush in Denver questioning again labor leaders' authority; Democrats charging that the administration is out of touch.

Trade unions now have membership of around 15 million. Membership hasn't kept pace with population and today four out of five US workers are outside unions. Inflation has been shrinking purchasing power. There is a shift from blue-collar to white-collar jobs, and the growth of multinational conglomerates makes it possible to shift jobs abroad. When the auto workers helped bail out Chrysler, the union gave up an estimated billion dollars worth of promised wages and benefits.

Unions have another problem – corruption. Some charge this is growing. US organized labor is alone among Western democracies in its nonideological character and the upholder of established values within the capitalist system. Most past leaders from Samuel Gompers down, eschewed radical social reform and identification with particular parties. This may be changing.

The unions' political influence seems at the lowest ebb since its high water mark after World War II. Leaders have seen a conservative administration take over the White House; there is no insider there with whom they can talk things over and ameliorate disagreements; relations with Labor Secretary Raymond J. Donovan are frigid, and the administration's program of budget cuts weakens programs for which unions have fought for years.

Marchers fly union banner; say Reagan favors the rich

By Julia Malone
Staff correspondent of
The Christian Science Monitor
Washington

It was huge. The sea of people, banners, and balloons flowed from the Washington Monument almost to the door of the Capitol. With an estimated 250,000 protesters, it was the largest demonstration since the Vietnam War era. It may be the biggest crowd – and maybe the most diverse – ever to march on Washington.

Civil rights marches had brought thousands of black people and their supporters. War protests had brought young people. But Solidarity Day Sept. 19 brought blacks from South Carolina, white union men in hard hats from Arkansas, middle-aged women in pantsuits, and young couples with children. It brought New Jersey teachers, members of the Actors Guild, and environmentalists from the Clean Air Coalition.

They came peacefully and almost festively to tell the President and Congress that they don't like the direction the their economic policy has taken.

"A little girl wearing an American Federation of Teachers hat, carried an "ERA" (Equal Rights Amendment) sign, one of thousands of ERA signs mov-

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THE CINCINNATI ENQUIRER

FINAL EDITION/NEWSSTAND PRICE 75¢ SUNDAY, SEPTEMBER 20, 1981 A GANNETT NEWSPAPER

Angry Unionists Gather At Rally

BY DON CAMPBELL
Gannett News Service

WASHINGTON—More than a quarter of a million people, wearing the colors of organized labor and chanting the slogans of the civil rights era, massed on the Washington Mall Saturday to afternoon of speeches when he said, "We have come too far, struggled too long, sacrificed too much, and have too much left to do, to allow all that we have achieved for the good of all to be swept away without a fight. And we have not forgotten how to fight."

Sunday Patriot-News

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Labor's Masses Rake Reagan

WASHINGTON (AP) — Organized labor massed more than a quarter of a million people within sight of the White House on Saturday to proclaim their disgust with federal budget cuts and characterize the Reagan administration as "cold-hearted" and "callous."

The AFL-CIO borrowed from the Polish union movement and called its rank-and-file protest "Solidarity Day."

President Reagan, spending the weekend 65 miles away at Camp David, Md., received telephone reports on the demonstration.

"The president recognizes and appreciates the frustration that comes because there are no instant miracles and he also appreciates that the medicine is hardly sweet," said White House spokesman David Gergen, adding that Reagan believes that "the true enemy of working men and women is a sick economy."

Addressing the huge throng, labor federation president Lane Kirkland referred to Reagan's contention that labor leaders are out of touch with the rank and file and said, "We are out of step with none but the cold-hearted, the callous, the avaricious and the indifferent."

U.S. Park police estimated the crowd at about 260,000. As the demonstrators began to disperse, AFL-CIO officials quoted Sam Jordan, deputy director of the city's Office of Emergency Preparedness, as having estimated it at 400,000.

The AFL-CIO abandoned its traditional disdain of mass protest in hopes of impressing President Reagan and his congressional allies with the depth of opposition to his domestic policies.

Though Reagan had defeated labor and its allies in every budget battle in Congress, Kirkland said, "The winter's chill is approaching and the bloom is fading from fall's mandates."

Labor leaders interpreted the size of the crowd — it rivaled the numbers who came to the city in the 1960s — as sign of growing disenchantment with the Reagan administration.

The rally began under sunny skies that later became overcast. People ate picnic lunches and lined up to buy ice cream and soft drinks. The expressions of anger and protest were limited to signs and speeches and balloons.

Shortly after noon, marchers moved up the mall from the Washington Monument grounds. At the Capitol, more than 14 speakers addressed the crowd in a program lasting more than two hours. Toward the end, the crowd slowly began to drift away.

It was a protest without politicians. The march and rally had the support of the Democratic National Committee, but pols were invited to listen to the speeches, not make them.

Democratic Party chairman Charles T. Manatt sent a telegram saying the turnout demonstrated "strong disapproval of the Reagan administration's anti-labor, anti-family, anti-elderly, and anti-middle class policies."

Other political voices heard were former Vice President Walter F. Mondale and Sen. Edward M. Kennedy, expected to be rivals for the 1984 Democratic presidential nomination.

In a statement issued from his

See UNIONISTS—Page A16

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Union thousands protest Reagan policies

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The 'cause' draws well from Valley

By MARY ANN FAY
Of the Call-Chronicle

WASHINGTON, D.C. — The six chartered buses carrying more than 200 steelworkers from the Lehigh Valley to Washington drove caravan-style onto Route 22, their winking red taillights the only splash of color in yesterday's rainy, early-morning darkness.

Inside Bus 2424, the only sounds were the monotonous swish swish of the windshield wipers and the occa-

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The Globe-Times

In the Heart of the Lehigh Valley

METRO EDITION

BETHLEHEM, PA., SATURDAY, SEPTEMBER 19, 1981 25¢ SINGLE COPY—$1.50 Home Delivered Weekly

200,000 Crowd into Washington For Union 'Solidarity' Rally

WASHINGTON (UPI) — Masses of demonstrators — carrying signs and wearing union buttons — streamed into Washington today for a huge labor rally against Reagan administration social and economic policies. It promised to be the capital's biggest protest since the angry days of the Vietnam War.

The crowd — 100,000 strong at noontime and expected to swell to more than twice that — began arriving at dawn for the "Solidarity Day" demonstration. The rally was organized by the AFL-CIO, which has been stung by President Reagan's victories in cutting federal spending for social programs and his harsh reaction to the air traffic controllers' strike.

Union members jammed Washington subways and streets on their way to the grassy Mall area, where they sang "Solidarity Forever" as they assembled for their march down Constitution Avenue to the foot of the Capitol.

"We are America's sinew, muscle, blood, heart, and bone," actor Ossie Davis told the burgeoning crowd. "We are the people."

On the city streets, groups of protestors, many wearing flag-decked hard hats and colorful union jackets and shirts to ward off the morning chill, streamed toward the Washington Monument gathering area.

"Ironworkers for Solidarity," said the blue - and - white sweatshirts sported by some in the tens of thousands gathering on the Mall. Others carried green - and - white placards reading "Jobs, Justice and Compassion."

Chicago Tribune

Sunday, September 20, 1981

260,000 in labor protest

While the President worked on even further budget cuts at his Camp David retreat, leaders of labor, civil rights and women's groups took turns denouncing his administration as "cold-hearted," "callous" and "malicious."

The rally, termed Solidarity Day by its sponsor, the AFL-CIO, drew 260,000 people by estimate of the U.S. Park Service police and 400,000 by estimate of city officials. By either count, it was the largest protest demonstration in the modern history of the capital.

Coretta Scott King, whose lat. husband led a similar march here 18 years ago, echoed: "Let this demonstration be a clear signal to the lawmakers that American working people of all races will not suffer in silence while the architects of reaction seek to shatter the hard-won social and economic gains of the last 50 years."

United Mine Workers President Sam Church, taking note of Mr. Reagan's absence on the day of protest, said: "He may be out of

Columnists, Editorials Find Much to Rehash

Chicago Tribune, Tuesday, September 22, 1981 Section 1 9

Washington meets the nation—and discovers the people are us

By Anne Keegan
Chicago Tribune Press Service

WASHINGTON—Even the people of Washington were impressed.

And they've gotten so very used to these things—marches, rallies, and protests in their town.

But the one over the weekend that brought a quarter of a million people from all over the United States—and that was no mean feat considering none of them would cross PATCO picket lines and fly—this one impressed them.

It was not the size of the crowd that impressed them. It was who was in that crowd.

One did not have to look at the signs in their hands or the placards on their backs to know. A long, steady gaze at them gathering on the Mall told every Washingtonian who these people were.

They were a cluster of Slavic women from New York gabbing merrily in their own language, members of the International Ladies Garment Workers Union.

THEY WERE three silver-haired black women hiding in the shade from the sun —a common-sensical Southern tradition —up from the land of cotton and tobacco.

They were suburban-looking ladies in pastel pantsuits, teachers down from New England.

They were five mustachioed Detroit auto workers in hard hats and parka vests watching the girls saunter by.

They were clumps of bronze-skinned families with slick black hair picnicking on the grass, farmworkers up from Texas.

Anne Keegan

They were bearded miners from West Virginia, steelworkers from Chicago, electrical workers from Michigan, chemical workers from Rhode Island.

They were bricklayers, carpenters, engineers, crane operators, government employes, butchers, television writers, teachers' aides, checkout clerks, aluminum workers, and dock loaders.

SOME HAD COLLEGE educations, others never finished high school. Some had thick foreign accents, others spoke perfect English.

They were black, white, and every other possible color of human skin. They were old and they were young. Some had just gotten their first jobs. Others had been retired for years.

They were from the Deep South, the West Coast, the cold North, the vast Midwest, and the East.

They were Catholic, Protestant, and Jewish. They were Republicans and Democrats.

They were the people Washingtonians too often forget about and seldom see, the ones scattered out there for thousands of miles beyond the Potomac. The ones who make Washington, with its genteel life, possible.

THEY ARE THE ones who do not often come to Washington—perhaps once in a lifetime, when their kids are old enough, and then only to look through the fence bars at the White House and to climb the Washington Monument.

They are the ones who couldn't give you the home address of one influential man in Washington. But they are the ones everyone in Washington courts every four years. Who suddenly meet important politicians at their plant gates every four years or at a construction site or maybe even a union retirement party.

They were well-dressed. They stayed sober. There was no odor of marijuana along the Mall. They respected the law.

They met for one day in Washington, looked around at each other, and liked what they saw. And then, after giving each other strength, they climbed aboard their 15,000 buses and left, happy to have come yet happier still to be going back to their homes.

They were not a violent mob. They were not even an angry crowd.

No wonder Washingtonians were impressed. Impressed not by the numbers that were there but WHO was there. For they don't see them very often.

WHO WAS IT that was so impressive? It was Middle America. It was the people that built this country and want to keep on doing it. It was the meat-and-potatoes people, the ones who put in eight hours and have no company expense account. The ones who fight our wars. The ones who pay our taxes and have no loopholes.

It was the working class. And they came to Washington because they want to stay that way.

The Washington Post

Mark Shields

Labor Fights Back

American organized labor is one of those contrary institutions—the Catholic Church may be another—that seem to thrive in adversity and to decline in prosperity. In recent times, the proudest triumphs of labor have been recorded among the shipyard and texile workers of the anti-union South, where labor's organizers overcame threats, the entire establishment and worse.

The leadership of organized labor has determined the present time to be a period of great adversity for the labor movement. To get that message out to trade unionists and others, organized labor is putting together a giant rally here tomorrow in support of "a fair and humane America." The event is called Solidarity Day, and its sponsors are confident enough of the turnout to predict that 100,000 will participate. By the rules of low-balling crowd predictions, that means the event's sponsors expect at least twice as many. All of this should be very good news for the political allies of organized labor and especially for the Democrats, who can use any and all encouraging news.



To say that labor has been, politically speaking, alternately petulant and sullen in its dealings with the Democrats is not to deny the validity of labor's beefs. For some irrational reason, labor has been consistently held to higher standards of nobility and altruism than any other private institution. The historic civil rights bills never would have become law without the savvy, the clout and the all-out support of American labor. Yet, there are those who falsely and cruelly indict laboring people for alleged racism. It never occurs to these careless individuals to inquire as to the role of the Fortune 500 in the civil rights struggles in Congress. Apparently, only labor is expected to have a legislative and social agenda larger than its own interests. And virtually alone among our political and private institutions, labor does have just such an agenda.

Labor and its friends now find themselves answering over and over again the question of whether labor may have simply outlived its usefulness. These same people are never sufficiently curious to inquire about the relevance of football half-time shows or the Dow-Jones 30 industrials (which, by the way, have not been accused lately of being defenders of the status quo, another charge against labor). Do the Democrats—or somebody else?—have some long progressive program they now want enacted that we missed? Lately, defending the status quo in budget items in health and welfare seems to be more a liberal than a conservative political act.

But the long labor record has not helped the current labor reputation. In spite of much of the unfairness of the criticism, a lot of it has obviously stuck. In statewide surveys conducted this year, organized labor did not get good reviews. When asked whether labor was "a positive or negative force" in the life of their state, voters in state after state (including labor states) rated labor as a negative influence by more than two-to-one. Among others, the women's movement and environmentalists rated ahead of labor, winning positive scores in most cases. In fact, there were only two groups that the voters consistently ranked lower than labor: major oil companies and welfare recipients. Labor has a large image problem to attend to before it can be an effective messenger for its message.

None of this prevented the AFL-CIO's Committee on Political Education from jumping totally into 1981 special house races in Maryland, Mississippi, Ohio and Pennsylvania. In all but Ohio, the COPE-backed candidate won, and in Mississippi that victory may have stopped a stampede to the GOP. In fact, in the 1981 special House elections, labor has a better won-lost record than either the Democrats or the Republicans.

Now American labor, which came within a few thousand votes of electing Hubert Humphrey to the White House in 1968, is determined to get politically active once again. Its numbers are reduced, its ranks thinned. In 1958 one of three non-farm workers belonged to a union; today it's one out of five. But labor can be awfully effective in the political foxhole. Take it from someone who's seen it in action; labor can be tough in adversity.

Shreveport Journal

Solidarity American Style

TAKING A PAGE out of recent Polish history, the AFL-CIO organized its own solidarity day last week. The march and speeches in Washington Saturday were aimed not so much at sending a message to President Reagan, but at revitalizing America's seemingly moribund labor movement while simultaneously reminding other politicians of labor's disenchantment with Reaganomics.

The sheer size of the turnout, estimated by the National Park Service at 260,000 with some estimates going even higher, surpassed even the AFL-CIO's most optimistic projections. The crowd perhaps added a further illustration that the president's honeymoon has come to an end.

From his Camp David retreat, President Reagan sent out the word that he could understand the concerns of working people in the current economy but that his programs were needed and would be continued. There is little reason to be surprised at the president's response. No gathering, not even one that drew more people than the civil rights and anti-war rallies of the 1960s, is going to turn policy perspectives around 180 degrees.

Expressing anger over a range of administration policies (from Social Security cuts and high interest rates to shrinking school lunch programs), the crowd reflected ideas that went beyond any form of narrow single issue politics. The president is fond of pointing out that while labor leaders may have opposed him, the people they supposedly represented were among his constituents. These constituents were to be an important part of America's new majority, not a group of transient supporters.

But Saturday's rally, at the very least, calls into question the easy emergence of this new majority. Actions taken by the administration have exposed the cracks in the new majority and stimulated the solidarity outpouring. Those cracks may be resealed. Labor may not be able to build on solidarity day in any meaningful way. Yet those cracks can neither be ignored nor wished away.

Albuquerque Journal

It's Only Just Begun

More than a quarter-million Americans, a larger crowd than even the optimistic predictions of the event's sponsors, crowded to the AFL-CIO-sponsored "Solidarity Day" protest in sight of the White House last Saturday.

The large turnout was organized labor's visible showing of its rejection of the tax-cut, budget-cut medicine of Reaganomics.

The foundering stock market has stood as business' straw vote rejection of supply side economics.

At the head of the protest parade were Lane Kirkland, AFL-CIO president; Benjamin Hooks, executive director of the NAACP; Eleanor Smeal, president of the National Organization for Women; and [illegible] of Dr. Martin Luther King Jr. [illegible] tax cut takes

Gary (Ind.) Post-Tribune

The message was there

It was impressive to see, the crowd that showed up in Washington last weekend for Solidarity Day.

Estimates of exact numbers in the throng ranged from 250,000 to 500,000. They were there to show a united front among union members and some other groups against President Reagan's economic policies. [illegible] he got the message, not, he should [illegible] re were more [illegible] rter of a million [illegible] r block camped [illegible] yard letting it [illegible] hat they were [illegible] with the way [illegible] the country. [illegible] rank and file [illegible] rs who travel- [illegible] oughout the [illegible] articipate in

They helped put Reagan in the White House because he promised economic relief. Now they find more and more governmental services being cut; more and more school programs being cut or deleted for lack of money; more and more public safety regulations being watered down — and the economy showing no sign of recovery.

And, whether true in the

EDITORIAL COMMENT...

Cheyenne Eagle

Giant Rally Had a Message for Reagan

GENERALLY speaking, we do not subscribe to "politics by confrontation." We prefer "politics at the polls."

We disapproved of the mass demonstrations during the War in Vietnam. We particularly disapproved of the demonstrations during the 1968 Democratic Convention in Chicago.

WE MAY have seen another exception, Saturday, when an estimated 260,000 to 400,000 thronged the streets of New York City for a Solidarity Day rally.

The Solidarity Day Warning

St. Louis Post Dispatch

President Bush's supercilious [illegible] Solidarity Day [illegible] of the [illegible] there to voice their concern about the deep[illegible]ce at retrenchment in social programs that the rally administration has ordered. You might call [illegible]e in them the draftees that the administration [illegible] have conscripted to serve in [illegible]ane Reagan Revolution. [illegible]olically of the area of equal rights since that day.

. . . while US Solidarity marches

Christian Science Monitor

What can President Reagan do to win back those working men and women who voted for him in November and now wish they hadn't? Interviews with them were all but buried in news coverage of the size of the Solidarity Day rally. But it is politically more important for the President to keep the ranks of the defectors from growing than to woo the majority of Saturday's quarter of a million marchers, the biggest protest turnout since the [illegible]

Milwaukee Journal

[illegible] were from labor [illegible] speech set the tone for the rally. Yet the President should be able to renew the confidence of those like the sheet metal worker who joined in the Reagan sweep last fall but now demonstrated against him, saying: "It's back to us against them. They're taking from people like us who don't have much and giving it to people who already have too much."

The latter impression, stemming from the pattern of Reagan budget and tax [illegible]

What next after 'Solidarity'?

The quarter of a million people who gathered in Washington for Saturday's "Solidarity" rally were intent on making a statement. The theme of the get-together, sponsored by the AFL-CIO, was opposition to the Reagan administration's economic policies, particularly its often excessive constraints on social spending.

That was made clear by the banners [illegible]

CIO, has been fashioning an increasingly intimate alliance with the Democratic Party to give labor a more influential voice within party councils.

The Kirkland strategy aims to revive the sagging coalition that has defined the Democratic Party since the New Deal and mobilize it as a Reagan roadblock. Given the administration's whacks at [illegible]nized labor, often rightly, [illegible]ocial justice, Kirkland's [illegible]able. It may even [illegible]ise Rea[illegible]e of hi[illegible]

THE PRESIDENT WHO WASN'T THERE

By skipping town during the massive Solidarity Day protest, Reagan revealed his reluctance [illegible]

WILLIAM SAFIRE

America's 'Solidarity'

DeMoines Register

Altho[illegible] The face-off between the [illegible]coln Cor[illegible] Reagan administration and [illegible] the [illegible] New York City steaming up [illegible] Mobilization Day affair as "small." The 1963 Civil Rights March is recalled more for what [illegible] numbers.

other sort: He has evidently decided to conduct his presidency once removed from the public. He wants to avoid having his sculpted generalities challenged in the give-and-take of hard [illegible]

fers belated[illegible] the syste[illegible] icy and t[illegible] dent is on [illegible]

. . . With labor

Philadelphia Inquirer

. . . and some mending at home

[illegible]ttenberg

[illegible] the strange switch in the [illegible] of the American labor in just the last month. On [illegible], the pundits said, "Labor [illegible]ly weak, Reagan's got 'em [illegible]." On Solidarity Day, [illegible]er, the same pundits said, politically strong, they've [illegible] on the run. [illegible]mments miss the point, [illegible]ne that most labor leaders [illegible] and that President Rea[illegible]

bled steak. So, the American working people, and their unions, stayed in — and modified — the capitalist system. They concentrated on economic demands more than ideological political ones — and ended up with much of the wages, hours, pensions, safety and vacations they wanted.

In that sense, then, labor has not been weak, and is not weak. In its nonradical nonpolitical way, it has improved the lives of its members in ways that generally surpass the Marxist-oriented power-seeking European-style unions.

[illegible] America, from regardless of the latest political issue of the moment. That is why, when labor does put on its political hat, it always has at least some clout.

Surely, labor leadership is also deeply into politics. Economic issues intertwine with political ones. Some of labor's issues are popular; some are less so these days. Construction unions care about the Davis-Bacon Act, dealing with wages paid on federal construction projects. That may prove difficult to defend in this Congress.

On the other hand, labor is for keeping Social Security uncut, and that is President Reagan's big politi[illegible] On the general [illegible] won

Rally showed union's solidarity

Ypsilanti Press

With last weekend's massive Solidarity Day rally, organized labor showed it wasn't dead yet and still has plenty of fight and punch.

Ever since the AFL-CIO, the UAW and the other big unions weren't able to boost Jimmy Carter back into the White House last November, pundits of all [illegible]

reaction to Reagan, is helping to revitalize the union movement.

The big Washington Solidarity Day Rally, as perhaps nothing else could have, showed that working people have some real concerns about social equity and economic progress that differ from those of Ronald Reagan's wealthy friends and his backers in big business's executive



Joe Szczesny

(Szczesny is a Press staff writer who specializes in business and labor reporting.)

A show of strength

Elmira Post-Gazette

Organized labor, faced with what it sees [illegible] as declining political influence in the na[illegible]'s capital and a hostile Reagan adminis[illegible] to help

araderie for labor in particular.

And while the demonstration is unlikely to change the administration's basic approach to economic and social issues, it cer[illegible] impression in

The message of Solidarity Day

Philadelphia Tribune

Several hundred thousands union members, union sympathizers, social service activists and senior citizens converged on Washington, D.C., last Saturday (Sept. 19) in support of the AFL-CIO Solidarity Day march.

The message these thousands of concerned citizens took to the nation's seat of government was clearcut — they were totally displeased with Reaganomics.

Reaganomics, they argued is anti-union, anti-poor and anti-people. They wanted President Reagan and his conservative backers in the United States Congress to know that they have no intentions of taking the brutality of Reaganomics lying down.

Those folks who trod on down to Washington from every corner of this country had been forewarned prior to last November's general

Senior citizens across this nation identified with candidate Reagan because they believed he would represent their interests for the obvious reason that he is an elderly gentleman himself and understood what it meant to be on social security. They, too, are now feeling the shockwaves of his anti-senior citizen axe-wielding moves.

The battle lines have become more pronounced, and now that everyone or group knows where they stand with Reagan, maybe a more consistent effort can be made to stop him — if it isn't already too late.

The Solidarity Day march should be only the beginning of a consistent onslaught to stop the right-wing conservative elements whose only goal is to take this country into another war to prove America's greatness.

A protest that deserved Reagan's attention

Providence Bulletin

It was an impressive showing, some 250,000 citizens representing a cross-section of America, who turned out on the grassy Washington Mall last weekend at the invitation of the AFL-CIO to protest President Reagan's economic policies. Never at a gets what portion of the national economic pie, albeit one wrapped in the rhetoric of morality by pleading the cause of widows and orphans.

As such, it was not without its ironies. The 250,000 persons who gathered at the behest of the AFL-

Overseas Press Also Reacts

London Times

Mass labour rally sets serious challenge for Reagan policies

From Nicholas Hirst, Washington, Sept 20

President Reagan will have to answer this week the strongest protest yet mounted against his economic policies. The union demonstration organ[illegible] the most irresponsible fiscal act of our time. The Administration, Mr Kirkland claimed, was pursuing monetary policies that caused record interest rates.

opposition where [illegible] The new round, with s[illegible] cuts promised for 1[illegible] 1984, will be more diff[illegible]

In Denver he rounde[illegible] critics. If he were [illegible]

Hongkong Standard

Solidarity...against Reagan

MORE than a quarter of a million peop[illegible] tes put the figure at 400,000 — demonst[illegible] ton at the weekend against President[illegible] and economic policies.

The "Solidarity Day" demonstration in Washington since the protests against[illegible] over a decade ago, heard calls for oppos[illegible] dent's cuts in social spending from u[illegible] groups representing American women, [illegible] elderly.

One demonstrator turned up wearing [illegible] mask. The president himself stayed a[illegible] Camp David, Maryland, working on ne[illegible]

UPI, AP pictures

The China News

Independent 英文中國日報 Objective

An Enlightened Public Is The Best Security Of A Nation

Vol. 32, No. 82 | Taipei, Sunday, September 20, 1981 | Eight Pages Today

260,000 Americans Stage Anti-Reagan Rally Near Capitol

WASHINGTON — (UPI-AP) — More than a quarter of a million cheering, chanting union members jammed the streets near the Capitol Saturday for a "Solidarity event and, like Richard Nixon during a huge 1971 antiwar protest, spent the day at Camp David. A white House spokesman urged that labor realize it has a "good friend be told in no uncertain terms today that he did not win a mandate to wreck the health, education and employment programs that the Democratic party and the labor

'Out of Sight, Out of Mind'

Cutback in Federal Information Conceals Program Destruction

The following is from an address by John W. Leslie, who served as information director of the Labor Dept. during six Administrations, to the National Association of Government Communicators.

I HAD A CALL from a reporter for a national magazine asking me to comment on rumors that government career employees were sabotaging the programs of the Reagan Administration, and asking whether I had seen evidence of this while I was in the Labor Dept.

I replied that my experience was just the opposite. You have dedicated men and women waiting and wanting to serve who are without leadership or direction. They go through the motions of keeping the machinery running, but are aware that their efforts are ineffective and useless—that their programs are slowly being turned off.

And there are those—the real heroes in my book—who carry on day after day doing the public's business, when they know in their own hearts that some computer somewhere is printing their names on pink slips.

IN SIX MONTHS as director of information for the Labor Dept. during this Administration, I watched programs to serve and protect working people, which I had helped develop and promote, be slowly strangled.

I sat for six months and watched a department in which I had worked most of my adult life be systematically dismantled. I watched programs to serve and protect working people, which I had helped develop and promote, be slowly strangled or gutted.

And I decided, finally, I could no longer sit idly by and do nothing to stop the destruction of the department and its effectiveness as a guardian and protector of the working people of this country.

Rather than explain why I survived so long, I would like to tell why I left when I did.

The details are simple. The facts uncomplicated.

I was not mistreated. I was not asked to do anything with which I disagreed. I was just ignored.

Since I could do nothing constructive inside the government to change what was happening, I left.

THIS PRESENT Administration would have us believe that government has no business protecting the weak, aiding the poor or defending the disfranchised.

Government has no business, we are told, to police the marketplace too closely, to protect workers and consumers.

We are told the poor will be protected by the wealthy. We are told that business, through its own good nature, will look to the safety and health of its employees, assuring them of a living wage, the right to organize and bargain collectively, and equality of opportunity.

They would have us believe that the predators of the marketplace have changed their stripes and no longer need to be restrained and controlled.

If you believe all this, you should also believe that pigs will grow wings and fly.

THE AMERICAN people are being told that their government is somehow their enemy. . . . This is not the message of those who would improve the function of government. It is clearly a call for the deliberate destruction of government as a defender of the rights of the people against the privileged few.

The efforts throughout government to cut public information and public affairs activities are a cynical attempt by this Administration to cover up efforts to destroy programs and services the people want and need.

"Out of sight, out of mind" is this Administration's battle plan of action.

Recent newspaper headlines make this point most clearly: "Administration Calls the Freedom of Information Act Overrated and Seeks Wide-Ranging Restrictions on It," one proclaims. Another heralds "Reagan Proposals to Broaden Secrecy Powers."

AND WHERE, I might ask, during this attack on the government's means of communicating with the public, are the so-called defenders of the public's right to know—the press, television, radio and other media of mass communication?

They have, for the most part, joined in the attack on the government public information system.

They, who were originally responsible for the creation of a public information network in government, have now joined its enemies in an attempt to degrade and destroy it.

How more hypocritical can anyone get, than to editorially support an attack on "flicks and flacks" in the government, yet decry the lack of the public's access to information on government actions critical to the public's welfare?

Less Protection, Higher Cost

'Competition' Health Plans Hit As Poor Value for Consumers

ADMINISTRATION-BACKED proposals to convert the U.S. health insurance system to a so-called competition system would force many Americans to pay more for even less protection than they now have, Auto Workers health care consultant Melvin Glasser warned in a network radio interview.

Glasser labeled the competition proposals "have-less insurance programs that take us nowhere." He said that the idea has little or no support beyond "a small handful of politicians and a few medical economists." Glasser, who is executive director of the Committee for National Health Insurance, appeared on the AFL-CIO public affairs program, Labor News Conference, broadcast weekly by Mutual Radio.

The various competition plans now before Congress, Glasser said, all have the same basic approach:

- They limit the amount of employer-paid health insurance premiums that would be tax exempt.
- They give tax credits to individuals who have little or no health insurance.
- They put the burden of choosing among various competing health insurance plans on individual consumers rather than groups, as is now the practice.

He also pointed out that some of the proposals would give "cash rebates to individuals who elect limited-protection, low-benefit health insurance plans."

GLASSER SAID the bill favored by President Reagan's Budget Director, David Stockman, calls for individual plans rather than group plans, which would drive the costs to consumers substantially higher than they now are. He noted that the cost of administering group insurance programs is about 9 percent of the premium, while administration of individual insurance programs is about 45 percent.

Glasser said the labor movement remains solidly committed to "a decent national health insurance program," but acknowledged that with the Administration and Congress putting such heavy stress on budget-cutting, the main battle "in the present climate" is to preserve the present health care system.

Reporters questioning Glasser on Labor News Conference were Judith Randal of the New York Daily News and Jerome Brazda of Washington Report on Medicine & Health.

Washington Window

By Press Associates, Inc.

IF SOMEONE WERE to make a bona fide offer to sell the Brooklyn Bridge for a bargain basement price, it might be an offer which one could refuse—considering the cost of repairs.

Bridges, roads, highways, mass transit systems, water and sewer systems and other nuts and bolts elements of the nation's "infrastructure" have been wearing out at a much faster rate than they are being repaired or replaced.

This deterioration of basic capital facilities in most communities across the land is a problem which has been chronicled by studies and congressional hearings over the past decade.

But government inaction, coupled with a lack of media and public attention to this vital, although undramatic, subject has permitted a problem to grow into a major crisis for the nation's cities.

THIS HAS occurred, unfortunately, at a time when cities are more financially strapped than ever because of revenue losses, when the Reagan Administration and Congress have cut federal aid, and when high interest rates have made local borrowing much costlier and more difficult. Municipal bonds have been a main source of financing capital projects by cities and states.

Testifying recently before the House Subcommittee on Economic Stabilization, Pat Choate, co-author of "America in Ruins" and a senior policy analyst for the TRW company, said serious deterioration of vital public facilities "afflicts three of every four American communities."

"Today," said Choate, "one of every five bridges requires major rehabilitation or total reconstruction. The nation's interstate highway system has deteriorated to the point that almost one of every four miles requires replacement. Conrail faces the prospect of abandoning half its lines."

He added that "one-half of the water lines are so decrepit that they need to be replaced." New York City, for example, loses about 100 million gallons of water every day because of leaks.

DESPITE THE nation's pressing need for reindustrialization and economic growth, Choate estimated that half the cities could not allow substantial industrial expansion because of inadequate water and sewage systems. He said another quarter of the cities couldn't improve their economies because their roads, streets and bridges are worn out, obsolete or already used to capacity.

Over the past 15 years—when more, not less, was needed—Choate said funds for public works repair and maintenance dropped 28 percent because of tight budgets, inflation and bad public policy. When public facilities are allowed to run down, of course, it costs much more to fix or replace them later on.

Picking some examples of cities which have been studied:

- New York City needs to invest $5 billion in mass transit to rebuild its dilapidated and unsafe rail and bus systems and prevent further erosion of jobs and population. The city also needs to spend $40 billion to repair and rebuild its pothole-studded streets, its leaking water and sewer systems, and its bridges.
- Chicago needs $3.3 billion over the next five years to rehabilitate its aging facilities—roads, bridges, sewers and mass-transit. The city's sewer system often overflows raw sewage into houses, lakes and rivers.
- Baltimore must spend nearly $1.5 billion, or $1,880 per capita, to get its sewers and waste treatment system in shape.
- Cleveland needs $124 million to rehabilitate more than 40 of its crumbling bridges.
- Houston needs to invest heavily in mass transit or new freeways to prevent the traffic congestion that could strangle its growth.



WORKERS WOULD PAY more for health insurance and get even less protection than they now have if Congress goes along with Administration plans to convert the health insurance system to a so-called competition system, Auto Workers health care consultant Melvin Glasser, center, warned on Labor News Conference. Glasser, who is director of the Committee for National Health Insurance, was questioned by Judith Randal of the New York Daily News and Jerome Brazda of Washington Report on Medicine & Health. The AFL-CIO produced public affairs program is aired weekly on Mutual radio.

Social Cuts Threaten Support for Strong Defense

New York—The Reagan Administration's posture on national defense reflects a myopic view that actually threatens the nation's welfare, the AFL-CIO Executive Council reported to the federation's 14th convention.

"Popular support for a strong defense and foreign policy cannot be sustained by unjust social and economic policies which generate social tension and political polarization," the council stressed.

WHILE THE AFL-CIO remains steadfast in its support for a strong national defense—not as a source of jobs, but as a necessary precondition to the survival of democratic institutions including free trade unions—it holds that government has a constitutional responsibility to "promote the general welfare" as well as "provide for the common defense," the council observed.

"The Administration fails to see that increasing defense spending while sharply decreasing spending for vital social programs will result in lack of support for a strong defense," the council said.

It attacked wasteful spending, huge cost overruns and poor management of defense resources as "indefensible and intolerable"—particularly at a time when the defense burden is being shifted more and more to workers and the poor.

"NOR CAN VAST increases in defense spending be justified without having resolved, in the face of the Soviet build-up, important issues of strategy, and having decided what weapons systems are required to implement that strategy," the council added.

"A vast increase in military appropriations will not in itself strengthen the U.S. military position in the areas required."

The council warned that Soviet actions against Afghanistan must be weighed in the context of the USSR's strategy against the "rimlands" of the Middle East oil-producing countries.

THE CULMINATION of years of subversive activity against Afghanistan, the Soviet invasion of that country must be considered together with the establishment of Soviet influence, if not hegemony, in Ethiopia, South Yemen, Angola, and Mozambique, the council said.

"The Soviet Union is thus almost in the position of being able to deny through military means the West's access to its major energy source," the council warned.

"Control over Afghanistan is an extension of Soviet influence over the northern rimlands of the Middle East's oil fields. Angola and Mozambique straddle the Cape oil route, and Soviet air capability was impressively demonstrated by the airlift ferrying Cuban troops and Soviet equipment to Angola."

ELSEWHERE IN its report, the council traced labor's interest and involvement in American foreign policy since the founding convention of the Federation of Organized Trades & Labor Unions in 1881 to the present.

One of its major concerns has been the furtherance of free trade unionism throughout the world, the report notes, and the AFL-CIO's support of the new trade union federation in Poland is consistent with this belief. The American labor movement, through the Polish Workers Aid Fund, has contributed over $250,000 to Solidarity, the first free and independent trade union movement in the communist world.

The council stressed that the federation's support for free labor movements means also having nothing to do with so-called unions in dictatorship countries. Over the years, the council noted, the AFL-CIO has refused contacts with the state unions in the Soviet Union, Franco's Spain, the People's Republic of China, and other totalitarian countries.

REPORTING ON other AFL-CIO actions since the last convention, the council said that since rejoining the International Labor Organization in February 1980, after an absence of two and a half years, the federation has participated in two ILO conferences as well as sessions of the Governing Body and other meetings of the ILO. The AFL-CIO's European representative, Irving Brown, who took part in this year's conference, reported that the meeting came close to accomplishing the true purposes of the organization.

"Attempts to inject political issues were handled in such a way that the conference was able to devote most of its time to those technical questions on which the future welfare of workers so largely depends," the council said. The federation's reason for leaving the ILO in 1977 was the ILO's growing politicization.

THE COUNCIL also reported that a committee of its members appointed by President Kirkland met with a delegation from the International Confederation of Free Trade Unions in June to discuss the question of AFL-CIO reaffiliation with that body, and found the meeting "useful."

On other foreign policy matters, the council focused attention on the plight of refugees throughout the world, reiterated its support of the land-reform program in El Salvador, and denounced the South African government's suppression of unions of black workers.

The council report also contained a summary of activities of the AFL-CIO's overseas arms, the American Institute for Free Labor Development, the African-American Labor Center, and the Asian-American Free Labor Institute.

Central Bodies Continue to Show Rise in Members

New York—State and local central bodies over the past two years added to their total membership, but the level of affiliation still remained far below the optimum, the Executive Council said in its report to the convention.

Total membership in AFL-CIO central bodies at the end of last year was 7,673,-989, an increase of 280,770 over the total reported at the 1979 convention. But, even with the slight increase, the total represented only about 56 percent of the potential number of members.

"SINCE THE ability of central bodies to respond to the needs of the federation and their own affiliates is directly related to the level of affiliation, it is vitally important to continue and improve upon the upward trend in affiliation that started in 1978," the council said.

"The federation's field staff has directed its attention to this problem in recent years and will continue to do so in the future," the council's report said.

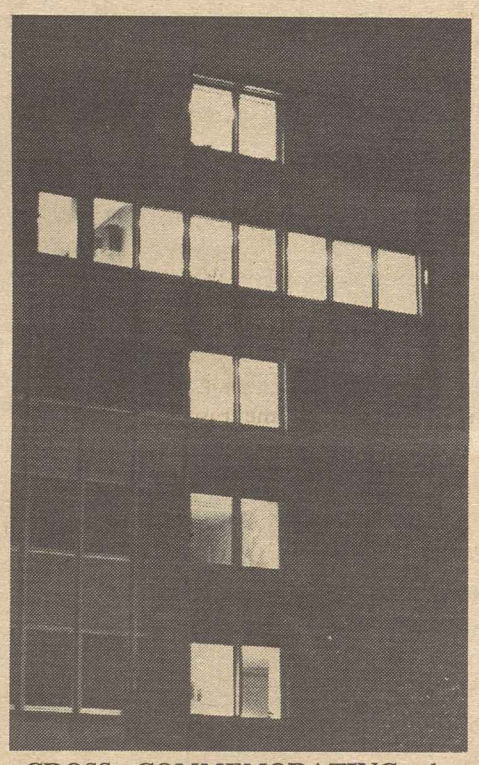
State and local central bodies' activities were the focus of a series of regional conferences held from March through June of this year. The conferences dwelt on current problems and explored new directions in pursuit of the federation's goals.

While central bodies remain active in traditional programs, there appears to have been an increase in legislative activities at the local, state, and national levels, the council said, noting the larger volume of legislation in recent years.

AS IN PREVIOUS periods, central bodies have responded very favorably to requests for assistance in special projects over the past two years, the council observed. These projects included the annual program of the President's Committee for Employment of the Handicapped, rallies and demonstrations conducted by international unions, boycotts, and organizing campaigns.

As of last June, there were 50 state central bodies, one commonwealth body, and 746 local central bodies. In the past two years, seven new central bodies were chartered, three were dissolved, and three mergers were completed.

"In view of the vital role of central bodies in advancing the programs and goals of the federation and its affiliates and the direct services which they provide to local unions," the council said, "every possible effort should be made to add to their resources by strongly encouraging full support and participation from all affiliates."



CROSS COMMEMORATING the 25th anniversary of the revolt of Hungarian freedom fighters against oppressive Soviet rule is emblazoned in the windows of the Philip Murray building, headquarters of the Electrical, Radio & Machine Workers in downtown Washington. The building directly faces the Soviet embassy.

Consumer Aid Consigned to Back Burner

New York—Consumer safeguards are very much on the back burner in the Reagan Administration, the AFL-CIO Executive Council made clear in its report to the convention.

Labor helped protect the Federal Trade Commission from the most drastic proposals made in the 96th Congress to curtail its authority, the council noted. The attack on the FTC had been led by business groups.

This year, the Administration has used the budget-cutting weapon, as well as its appointive powers, to weaken consumer protection agencies.

The council noted that the initial Administration proposal "included a near phaseout of the Consumer Product Safety Commission and an end to antitrust activities by the Federal Trade Commission." The National Consumer Cooperative Bank, set up in 1978 to provide loans and technical aid to consumer cooperatives, was to be abolished by next year.

Administration Raises Bar To Effective Energy Policy

New York—The Reagan Administration is undermining the progress that America has made since 1972 in efforts toward an effective national energy policy, the Executive Council charged.

"The Administration's action has cut back programs that foster development of new energy sources, energy conservation and energy efficiency standards," the council's report to the convention declared.

IT SAID White House policies "have abandoned a cogent, carefully developed national program in favor of outmoded theories that will yield high profits to oil companies and result in hardship for the American people."

Much of the damage, the report noted, has resulted from a $2.8-billion budget cut for energy programs. These include:

- A 50-percent reduction in research and development funds for fossil fuels, including projects in coal gassification and liquefaction.
- Elimination of nearly all direct subsidies for development of synfuels.
- A 45-percent reduction in solar energy research and development funds.
- A 17-percent reduction of fusion energy research.
- Fund slashes of 50 percent in programs for geothermal, hydropower and electric energy systems, as well as in low-income weatherization programs.
- Elimination of standards for new construction.

THESE BUDGET cuts will not only jeopardize the country's energy security, the council warned, but will also eliminate about 110,000 jobs needed to make the programs work.

"Job security for Americans depends on secure energy supplies," the council stressed. "And solving the nation's energy problems means putting hundreds of thousands of people to work to conserve energy and to develop new supplies."

The council cited the need for workers for construction of new energy production facilities and the manufacture of energy machinery and equipment as well as weatherization, conservation and solar equipment.

IT ALSO reaffirmed the AFL-CIO's opposition to decontrol of energy prices even though the Administration completely lifted controls on oil earlier this year. The council stressed the need to continue full controls on natural gas prices.

New proposals to remove the controls "would quickly double home heating bills for those who heat with natural gas," the council warned.

The report stressed continued support for national efforts to protect and restore the country's environment and cited considerable progress in cleaning up water and air pollution.

These gains have created thousands of jobs in the construction of state and local water treatment plants and in the manufacture of water and air pollution equipment, the council observed.

Tax Equity Drive Hits Roadblock, Burden Shifts

New York—Tax justice appeared an achievable goal at the time of the last AFL-CIO convention, but all the movement since then has been in the other direction, the Executive Council said.

When the Reagan Administration unveiled its tax proposals last February, the Executive Council charged they would "require more sacrifice from those who have little, to give more to those who already have much."

Instead, the AFL-CIO urged an alternative "which would have been about half as costly, while providing more tax relief in the first year to the great majority of working people and spurring business investment through specifically targeted business tax reductions."

AT CONGRESSIONAL hearings, the council noted, AFL-CIO President Lane Kirkland warned that the Reagan tax package "would add to inflation, exaggerate fundamental economic problems and dissipate funds needed for their resolution."

The Democratic "alternative" was only "marginally less inequitable than the Administration version."

Congress went on to pass the Administration bill, the more inequitable of the alternatives, which the council said will:

- "Shift hundreds of billions of dollars from the paychecks and programs that sustain working Americans to the rich and the corporations.
- "Add to the economic problems and social tensions that are the inevitable result of shoestring budgets financed by inequitable tax structures.
- "Assure a continuance of inflation and skyhigh interest rates."

Conservatives in Saddle

Legislative Progress Stifled by '80 Election

The Executive Council's report on labor's legislative efforts over the past two years points up the watershed nature of the election that turned the Executive Branch of government over to the Reagan Administration and put control of Congress in the hands of a conservative coalition.

In 1980, the final year of the 96th Congress and of the Carter Administration, legislative attacks on labor's gains were turned back and some slight progress was made.

A THREAT TO the Occupational Safety & Health Act was blocked after an intensive grass-roots campaign eroded the initial support for the labor-opposed Schweiker bill. Attacks on the Davis-Bacon Act were turned back in both the House and Senate.

A windfall profits tax, although short of what labor and the Carter Administration had urged, did soak up some of the oil industry's gains from decontrol of prices and replenished federal revenues.

The Musicians won a long campaign to repeal the long-irrelevant but clearly anti-union Lea Act, which restricted the bargaining area in negotiations with broadcasters. And the Senate broke two filibusters, making possible the confirmation of William A. Lubbers as general counsel of the National Labor Relations Board and Donald A. Zimmerman as a member of the NLRB. Business lobbies and congressional right-wingers had fought both nominations.

IN WHAT the Executive Council termed "the most significant environmental achievement of the 96th Congress," a labor-supported bill was enacted just before adjournment establishing an industry-financed "superfund" to clean up chemical toxic waste dump sites.

There were disappointments, too, in the 1980 legislative year. There was no progress made toward comprehensive national health insurance or labor law reform. Imports continued to erode U.S. jobs, and a House-passed bill to expand trade adjustment assistance to cover supplier firms died with adjournment. The end-of-the-session renomination of John Truesdale to the NLRB was blocked by a filibuster threat and withdrawn after the change of administration.

The council report documents the savaging of labor-supported programs in the first months of the Reagan Administration, primarily through a twisting of the budget-setting procedure into a vehicle for rewriting legislation and wiping out government functions.

IT RELATES the virtual elimination of the public service employment program—the nation's key anti-recession "safety net"—and the gutting of the trade adjustment program.

Also achieved through the budget reconciliation shortcut, the council noted, was the rewriting of unemployment compensation and the reduction of the extended benefits program, despite continuing high unemployment. The food stamp program, public housing, health programs and energy development were other budget victims.

The tax cut bill enacted over labor's protests tilts the lion's share of benefits to the wealthiest individuals and the most profitable corporations.

IT REVERSES the action of the previous Congress by wiping out a substantial part of the oil industry's tax obligations.

In an action that the council said "defies logic," the 97th Congress "reduced taxes by $12 billion for oil interests, despite their continuing record profits, but rejected a Democratic proposal of tax credits for six distressed American industries: autos, steel, paper, railroads, mining and airlines."

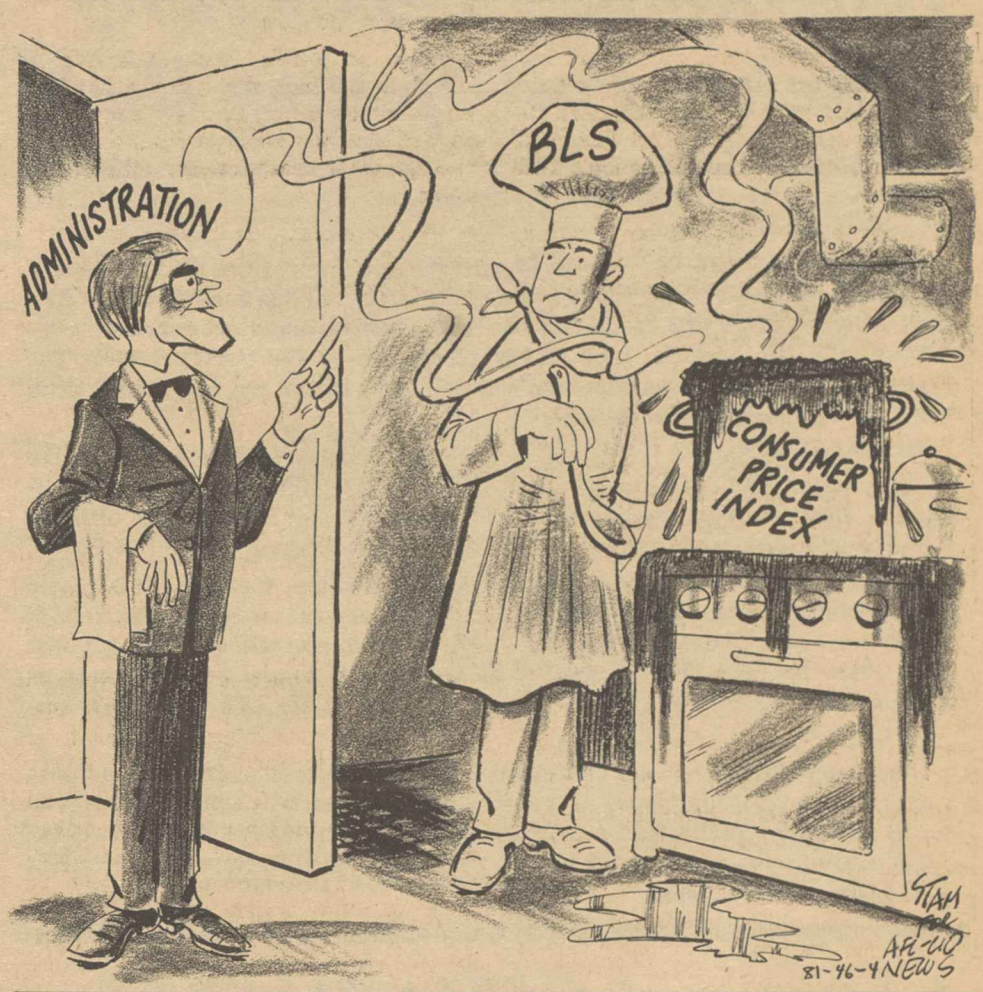
The modest achievements labor can point to in the first year of the 97th Congress are along the lines of keeping the roof from falling in completely.

THUS, CONGRESS balked at the sweeping cutbacks the Administration initially sought in social security protections and has had some second thoughts about the elimination of the $122-a-month minimum social security benefit mandated by the budget reconciliation bill it passed into law. Also, some programs that President Reagan wanted to eliminate by lumping heavily reduced funding for them into "block grants" to the states will remain on the statute books as federal programs.

The Executive Council report takes note of the new round of the budget battle brought on by Reagan's demand for additional spending cuts and his use of spending "deferrals" to push funding for programs below even the heavily-cut level that Congress has decreed.

But it cites increased resistance from Congress, which has already rejected some of the Administration's latest round of cutbacks.

'Keep Cooking 'Til We Get Fudge!'



Urban Areas Face Crunch From Tax, Budget Slashes

New York—Many cities, states and most larger urban areas face a severe financial crunch and neglect of important services due to "tax-cut fever," high interest rates, and the Reagan Administration's budget cuts, the Executive Council noted in its convention report.

The council cited a recent congressional study, Trends in the Fiscal Condition of Cities: 1979-81, showing that more than 30 percent of cities surveyed had operating deficits in both 1979 and 1980. For 1981, the survey found 86 percent of the cities anticipated deficits.

ECONOMIC CONDITIONS in particular cities have been highly exacerbated by the downturns that have resulted in hard times for certain major industries such as steel and autos.

"Federal budget cutbacks—threatened and actual—feed into the trouble mixture, threatening the well-being of states and communities which depend on federal assistance to meet the needs of citizens and to create and maintain public facilities necessary for job creation, economic growth and development," the council observed.

"Such assistance, now targeted for reduction, runs the gamut from revenue community and regional development," the Executive Council report noted.

Many cities this year experienced serious fiscal problems, the council noted. There were threatened school shutdowns in Boston and, in April, the closing of fire companies and police substations. Detroit, whose budget is heavily dependent on federal programs, faced a crisis that would be worsened by the reduction of government activities.

UNEMPLOYMENT in the nation's metropolitan areas reflects the continuing economic problems of major urban centers. Last June, when the U.S. jobless rate was 7.3 percent, there were 67 metropolitan areas with 8.5 percent or higher unemployment.

"The revitalization of urban areas is essential to the economic well-being of the nation," the council said. "Urban poverty and unemployment result in lost output and lower tax revenues, and a greater need for public expenditures in social services, welfare and unemployment assistance—a vicious cycle that must be interrupted by a federally financed, comprehensive urban economic development program," the report declared.

The Reagan Administration, as part of its budget-cutting policies, has urged the elimination, cutting back and consolidation of community development programs. Last June, it ordered a rescission of $188 million in Economic Development Administration project funds, already approved for fiscal 1981.

For the 1982 fiscal year, the budget reconciliation process further reduced EDA to a program level of $290 million, down from a projected level of over $650 million the council noted.

Federal support for urban mass transit is another critical element of urban development which the Reagan Administration proposes to cut back.

The council report also dealt with the pressing needs of the nation's entire transportation system—shipping, railroads, airports, and the interstate highway system.

Steady Enrollment Growth Reported for Studies Center

New York—Facilities at the 12-year-old George Meany Center for Labor Studies are operating at capacity, providing quality training for union leaders and staff members, the Executive Council reported.

Since the last AFL-CIO convention, enrollment at the 47-acre residential campus in Silver Spring, Md., has risen to 4,000 a year. Programs conducted at the center include weeklong courses in such areas as arbitration, organizing, collective bargaining, labor law, psychology for union leaders, computers, economics, public speaking, union publications, issues for working women, and other labor subjects.

THE ORGANIZING institute has been particularly well attended, so much so that a three-week advanced organizing workshop is now offered in cooperation with the AFL-CIO Dept. of Organization & Field Services.

Unions also use the center's facilities to conduct their own staff programs or hold executive board meetings.

Several new projects have been completed at the center since the last AFL-CIO convention, including an oral history funded by the National Endowment for the Humanities. The project involved taped interviews of 49 persons who had a role in the 1955 merger of the AFL and the CIO. The transcripts of the interviews soon will be available to scholars.

Work is virtually completed on a federally funded program leading to an associate degree in labor studies, and several labor textbooks are being compiled under the Tripartite Program for Apprenticeship.

ANOTHER NEW project has been a series of two-day briefing sessions on union pension fund investments cosponsored with the AFL-CIO Dept. of Social Security.

Despite an end to previous support from the National Endowment for the Arts, the center's art activities are continuing, the council report notes. Gifts and loans make the art displays and exhibits at the campus possible.

The center's college degree program continues to be an important part of its operations, the council reported. The program, conducted with Antioch University, has enrolled 213 full-time union staffers, and 30 have already graduated.

Report Details Four Mergers, Return of UAW

New York—The AFL-CIO Executive Council approved the re-affiliation of the Auto Workers, four mergers involving eight affiliates and name changes by two unions during 1980 and 1981, the council's convention report notes.

The UAW had been an affiliate of the federation from 1955, when the AFL and CIO merged, but had disaffiliated in 1968. The council approved the issuance of a new charter July 1, 1981, following a favorable vote on reaffiliation by delegates to the previous convention of the Auto Workers.

The four mergers approved by the council involved the Jewelry Workers and the Service Employees as of July 1, 1980; the Railway Supervisors and the Railway Clerks, Aug. 6, 1980; the Barbers & Beauticians and the Food & Commercial Workers, Sept. 1, 1980, and the Aluminum Workers and the Brick & Clay Workers, Sept. 1, 1981.

The council approved the requests by the United Cement, Lime & Gypsum Workers to change the union's name to United Cement, Lime, Gypsum & Allied Workers International Union and by the Hotel & Restaurant Employees & Bartenders International Union to change its name to Hotel Employees & Restaurant Employees International Union.

In both cases the union's jurisdiction remains unchanged.

Federation's Membership Reaches Post-Merger High

New York—Membership in AFL-CIO unions rose to about 15 million with reaffiliation of the Auto Workers, the highest since the merger of the AFL and the CIO in 1955.

In terms of the two-year average of per-capita payments since the last convention, the Executive Council report showed the total as of last June 30 at 13,602,000, a decline of 19,000 in the face of rising unemployment and depressed conditions in many industries and not fully reflective of the UAW's return. The figures reflect U.S. membership only, since affiliates do not pay per capita tax to the AFL-CIO on Canadian members.

In another section of the report, Sec.-Treas. Thomas R. Donahue noted an increase in the AFL-CIO's net worth of $4,469,945 in the two-year period ending last June 30. This represents the difference between total income of $61,934,913 and total expenses of $57,464,968. Net worth stood at $25,544,708.

During the two-year period since the last convention, the AFL-CIO repaid the remaining balance of $1,250,000 on a note payable under a bank line of credit, increased current investments by $2,660,000, and disbursed $1,150,000 more than was received on behalf of the defense and special purpose funds, as well as funds for the Hubert H. Humphrey Chair and the AFL-CIO Legal Services Center.

The report details income and expenses for the defense and special purpose funds and presents summaries of the activities in connection with special assessments and contributions for funds established for a chair at the Hubert H. Humphrey Institute for Public Affairs at the University of Minnesota and the AFL-CIO Legal Services Center.

Redistricting Clouds Prospects

Right-Wing PACs Pose '82 Election Challenge

New York—Well-heeled corporate and right-wing political action committees will pose a serious challenge for labor-backed candidates in the 1982 Senate and House elections—just as they did in 1980, the Executive Council warned.

Noting that campaign contributions by conservatives and business PACs last year ran five times higher than those of unions, the council said the financial margins must be substantially narrowed.

"THERE IS NO available method for labor to match opposition PACs dollar for dollar, nor is there a need to," the council said, pointing out that the PACs lack a broad constituency.

"Unions can increase funding sufficiently to keep endorsed candidates competitive with their opponents through all-out efforts toward voluntary political check-offs by members," the report suggested.

And when the additional funds are combined with labor's improving registration, education and get-out-the-vote programs, parity with opposition PACs can be achieved or even exceeded, the council said.

ON THE 1982 congressional elections, the council observed that prospects for gains for progressives are clouded by arithmetic and redistricting.

In the Senate there will be 20 Democratic seats and only 12 Republican seats contested. Only a handful of GOP seats appear vulnerable, and some of these are held by moderates.

The real impact of redistricting on the House is still unknown, although the shift of 17 seats from the Northeast and Midwest to the Sunbelt could enhance opportunities for conservatives, the report noted.

Labor's overall outlook for the 1982 elections is much brighter than the setbacks suffered last year when conservatives captured the White House and Senate, as well as ideological control of the House, the council observed.

"THERE WERE, nevertheless, encouraging victories in a generally disappointing year. Overall, COPE was able to help elect 59.5 percent of all endorsed candidates for Congress. While several long-time Senate friends fell to reactionary challengers, COPE helped the successful re-election battles of at least four who were under concentrated attack—Thomas Eagleton, Patrick Leahy, Alan Cranston and Gary Hart.

The council report traced the setbacks to weakness at the top of the ticket, which was beset by the twin plagues of mounting inflation and high unemployment—"issues traditionally most influential among our own members and large segments of the electorate at-large."

Despite that impact, the council noted that COPE motivated union members to participate in the election by a larger percentage than the overall electorate.

"NEARLY 65 percent of union members voted; less than 53 percent of all voters cast ballots," the council said.

A COPE post-election survey also showed that about 58 percent of voting union members supported President Carter, although he received only 41 percent of the popular vote.

4 Years of OSHA Progress Undermined by Labor Dept.

New York—The Reagan Administration is attempting to reverse four years of steady improvement in the administra- of the federal job safety law, the Executive Council charged.

The council said in its convention report that the Administration's policies and programs are calculated to wipe out or frustrate gains in OSHA and constitute a serious threat to worker protections.

"IN CARRYING out the anti-OSHA thrust of the Reagan Administration, the Dept. of Labor has instituted retrogressive changes in the act's administration," the council said.

It cited the impact of President Reagan's Executive Order requiring federal agencies to clear proposed rules with the Office of Management & Budget. The order requires that all proposals be put to a cost-benefit analysis and that regulations least costly to employers be adopted.

"Key health standards proposed or promulgated by the previous Administration have been victims either of the President's 60-day freeze on regulations or other subsequent actions by the Dept. of Labor," the council said. It charged that requirements of the Executive Order "will stagnate OSHA rulemaking, particularly as it involves the development of health standards."

THE ONLY significant gains in worker protections since Reagan took office came in Supreme Court decisions that upheld the labor movement's position on the cotton dust standard and key sections of the lead standard.

Even so, the council observed, OSHA has sided with the lead industry in efforts to block certain provisions of the standard and has twice delayed regulations requiring the removal of workers from exposure to high levels of lead.

Other setbacks in worker protections ordered by the Labor Dept. include:

- Withdrawal of a proposed rule requiring employers to identify toxic substances in the workplace.
- Revocation of a rule for payment of full wages to workers accompanying OSHA compliance officers on inspections.
- Postponement of key provisions of a hearing conservation program.
- Withdrawal of an OSHA policy designed to conform to the Supreme Court's decision on the benzene cancer hazard.
- Reduction in the OSHA compliance staff and a 10 percent cut in inspections.
- Destruction of brochures on cotton dust hazards and halting the distribution of other OSHA information.

THE COUNCIL cited further attempts to undermine worker protections through the firing of the former director of the National Institute for Occupational Safety & Health and efforts to dismantle NIOSH's headquarters operations.

A 39-percent slash in NIOSH's 1982 budget and renewed attempts in Congress to reduce coverage of OSHA and Mine Safety & Health Act also pose threats to worker safeguards, the council said.

HRDI Forced to Regroup By Training Fund Cutback

New York—The AFL-CIO and its affiliates have a strong interest in employment and training opportunities for jobless and disadvantaged workers, and the Executive Council report on the federation's Human Resources Development Institute stresses labor's commitment to continue this effort despite cuts in the budgets of federal job and training programs.

During 1980, HRDI had stepped up its assistance to labor organizations to help them use programs such as the Comprehensive Employment & Training Act to train workers and place them in jobs while continuing its own job services.

BUT SHARP reductions in the federal budget for national employment and training programs resulted in a 37 percent slash in HRDI's 1981 Labor Dept. contract. This forced the institute to reorganize its structure and reduce its staff in order to maintain a national program and as many services as possible.

HRDI and AFL-CIO affiliates developed 23,408 jobs and placed 7,857 people in jobs between January 1980 and April 1981, including 1,325 out-of-work union members, the council report said. The average starting wage for all HRDI placements in union jobs was $5.30 an hour.

In 1981, HRDI stepped up its development and placement efforts to help workers who were losing their jobs as a result of the dismantling of CETA's public service jobs program. The institute helped labor organizations obtain funds for 396 programs to provide skill-training and jobs for 7,674 workers.

AMONG THE special HRDI programs, the council report notes that in the period from January 1980 to April 1981:

- 1,143 women and minorities were assisted in entering apprenticeship programs by 26 Targeted Outreach Programs. Budget cuts have since forced the closing of nine TOPs.
- The Navajo Construction Industry Manpower Program, in which 13 unions participate, had provided training in 21 occupations to 783 Navajos as of July 1981. As part of the program, 415 trainees became apprentices or were placed in jobs. HRDI's Native American Apprenticeship Outreach Program, ended in March 1981, placed 237 Native Americans in apprenticeship programs.
- 662 disabled persons were placed in jobs under the Handicapped Placement Program.

OTHER PROGRAMS included a demonstration youth program to introduce young people to careers; a demonstration apprenticeship opportunity center in Houston, ended in March, and the nonclosed HRDI Veterans' Assistance Program in Oakland, Calif., which had counseled more than 75,000 veterans since 1971.

Basic Protections Periled By Regulatory 'Reforms'

New York—The AFL-CIO Executive Council report indicts the Reagan Administration for abusing the regulatory process "in a massive campaign to eliminate worker, consumer and environmental protections."

It has done this, the council charged, by emasculating regulations already in effect, delaying or abandoning standards that had been scheduled to go into effect, and cutting back on enforcement "so that employers may violate standards without fear of sanction."

THE COUNCIL noted with concern the effective shift of regulatory decision-making from the specialized agencies responsible for their enforcement to the Office of Management & Budget.

Such a shift of power, the report suggested, conflicts with the intent of Congress in the Administrative Procedure Act.

The drive for a "regulation-free, pro-business environment," the council noted, "ignores the fact that regulations were established at the public's insistence to address serious abuses."

It warned that "with regulations being gutted, there will be an inevitable resurgence in abuses against workers, consumers and the environment."

The direct attack on regulatory protections isn't the only way the Administration has sought to weaken law enforcement, the council report pointed out.

The Administration's anti-regulation campaign is reflected also in the officials appointed to administer the regulatory agencies. "Many appointees have little or no knowledge or experience and only limited interest in determining the purpose of the regulations and situations they were designed to correct," the report charged.

IT SCORED the Reagan Administration also for curtailing enforcement through budget cuts that reduce the number of compliance officials.

The chief targets of the Administration's efforts, the report noted, "are precisely those that protect workers and consumers."

Former Stevens Mill Signs ACTWU Pact

New Milford, Conn.—A textile plant formerly owned by J. P. Stevens & Co. has signed a contract with the Clothing & Textile Workers.

The plant—sold in July while litigation involving Stevens and the union still was in progress—was purchased by the New Milford Non-Woven Corp., which has had harmonious relations with ACTWU at other textile mills.

The union's agreement with New Milford provides for 9 percent wage increases in each of the three years of the contract period.

Federal Cuts Stymie Goals For Education

New York—The labor movement's goal of quality education for workers and their families is being sharply challenged by the policies of the Reagan Administration, the Executive Council said.

"At a time when education in America was beginning to reflect the benefits of the categorical programs funded in the last two decades, this Administration has misread an election victory as an overwhelming mandate to ease federal responsibility for educational services to workers and their children," the council charged in its report to the convention.

IT SAID the Administration's budget cuts and spending decisions have put an unfair burden on public education that is discouraging to working people hoping for a "quality education program from kindergarten through college for themselves and their children."

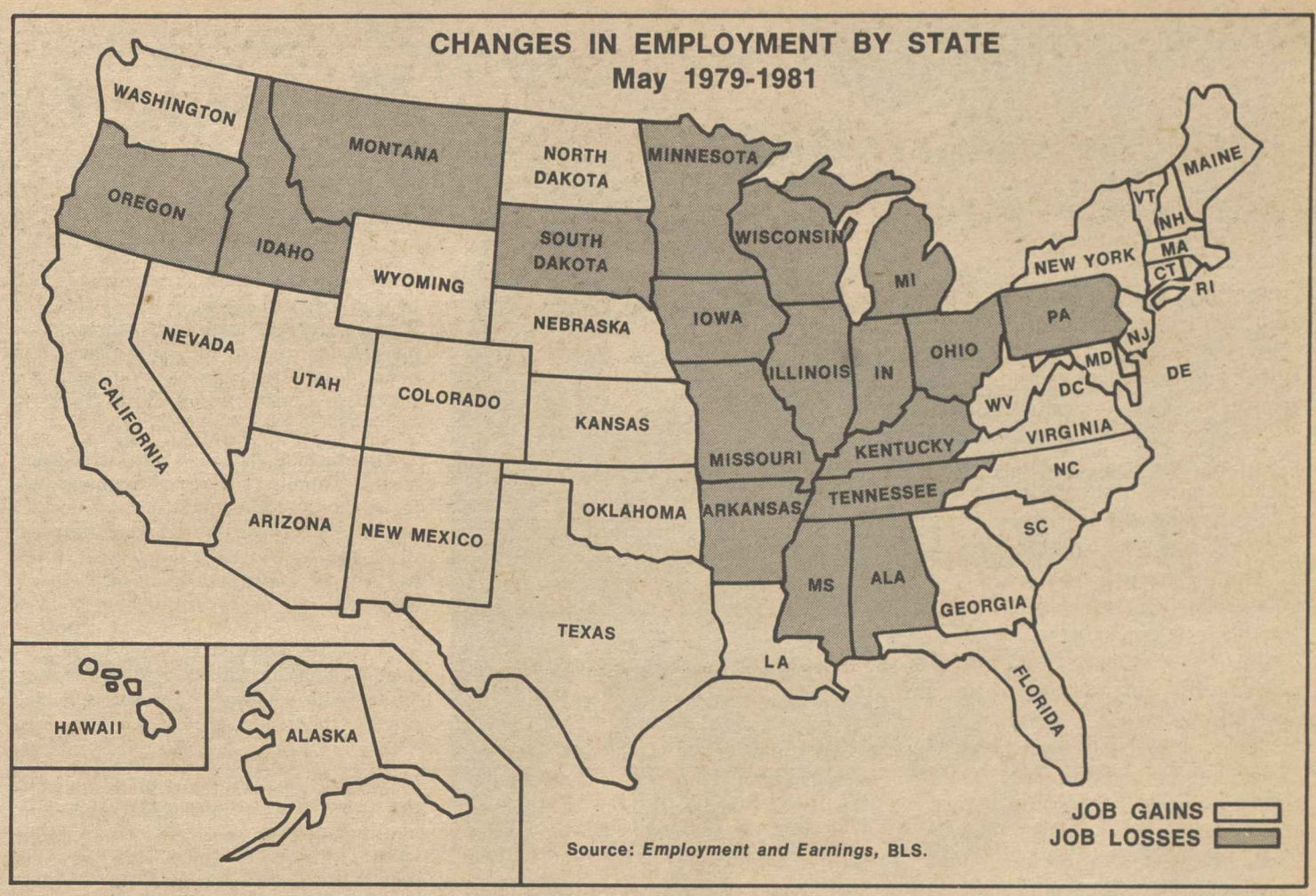
The council report emphasized that the labor movement, as it has for the past century, "must be prepared to marshal its forces to sustain the gains" of the past 100 years and offer a program that responds to crucial education needs.

Among the important educational areas threatened by Administration policies, the council cited:

- Elementary and secondary school systems which will suffer from the virtual repeal of the federal aid law of 1965 and the folding of 28 categorical aid programs into block grants.
- Impact aid to school districts with heavy concentrations of federal workers and armed forces, already cut by 50 percent and facing further cuts that will add to the burden of communities hard-pressed for adequate tax revenues.
- Career education aid, cut 50 percent and made part of the block grant plan.
- Vocational education programs that provide essential job skills to some three million students. The Administration has cut funds by $49 million and is asking for another 30 percent reduction in these programs.
- Higher education programs, for which Administration cutbacks include the phasing out of social security benefits for orphaned students and severe limitations on the availability of student loans.

THE AFL-CIO believes the federal government should play a leading role in education, the council said.

The AFL-CIO Education Dept., the council report observed, has stepped up its efforts to introduce more and improved labor education into school curricula. Efforts now under way include successful programs in California, Michigan, Maryland and Wyoming.



Victories on OSHA Enforcement Highlight Record Before Courts

New York—In terms of labor's concern, the most significant Supreme Court decisions since the last AFL-CIO convention were those supporting the federal government's power to provide safety and health protection in the workplace.

The "Labor and the Law" section of the Executive Council report cites these cases as "one of the few areas in which decisions favorable to labor have given affirmative protection to employees' interests."

OVERALL, unions fared well on a won-and-lost "scorecard" of 52 labor-related cases decided by the Supreme Court. But most of the "wins" came in staving off attacks on union rights and worker protections, the council noted. There was less success in cases where unions were seeking to assert legal and constitutional rights.

The cases decided in accord with labor's position, the council report suggested, are symptomatic of the Supreme Court's present tendency "to discourage resort to legal remedies rather than of any sympathy for labor's goals and concerns."

In the occupational safety and health areas, the Supreme Court spoke with rare unanimity in upholding an OSHA regulation prohibiting employers from punishing a worker who refuses a task because of a "reasonable" fear of death or serious injury."

ANOTHER PLUS was the Supreme Court's holding that a search warrant wasn't necessary for mine inspections under the Federal Mine Safety & Health Act. The court made a distinction between the hazardous nature of mines, which by law must be regularly inspected, and routine OSHA inspections which it had previously held required a warrant if an employer refused access.

The court was more divided on the issue of occupational health standards.

It split three ways in dealing with an OSHA standard that sought to reduce exposure to benzene, a cancer-causing toxic substance, to the lowest level feasible. The prevailing decision invalidated the standard because, it held, OSHA has not proved that the levels of benzene exposure previously allowed constituted a "significant risk" to the health of workers.

THE OUTCOME was more to labor's liking in a 5-4 decision upholding OSHA's standard regulating cotton dust exposure. The majority rejected the contention that OSHA must justify its standards by a "cost-benefit" test.

Instead, the court majority held, it need only show that a standard is economically and technically feasible.

The council report noted apparent contradictions in decisions involving "free speech" constitutional rights that suggest a double-standard on the right to picket.

It found in the Supreme Court decisions a "profoundly dispiriting message" that "organized labor cannot expect to be accorded the very same constitutional protection accorded other groups."

ON FREE SPEECH issues, labor's view is most likely to prevail "when the position of the opposing party will lead to more court access, more litigation, and more interference with the right of state governments to act free from federal oversight."

In contrast to previous periods, there was a dropoff in cases involving discrimination in employment—perhaps because past decisions have dealt with most of the central issues.

But "in the yeasty area of affirmative action . . . the court continues with its cautious, indeterminate, step-by-step approach."

A series of decisions affirmed, as labor had urged, the enforceability of collective bargaining agreements in federal court. Another decision, clearly supported by evidence of the intent of Congress, affirmed that a union may bargain to impasse and strike if necessary to compel an employer's participation in an existing pension and welfare trust fund.

IN RECENT YEARS, unions have frequently been faced with dubious but potentially destructive lawsuits seeking huge sums in damages, and three Supreme Court decisions rejecting such suits may help discourage others.

The council report suggested that in this area, "the general predilection of the present court to avoid expanding the remedies available in federal court has worked in favor of organized labor."

Two important cases involving the Employee Retirement Income Security Act (ERISA), more commonly known as the pension reform law, were decided in accord with labor's views.

The decisions, the Executive Council noted, "show a favorable attitude toward the federal law, which is designed to protect the interests of employees under private pension plans."

Public Affairs Institute Termed Vital Resource

New York—Creation of a Labor Institute for Public Affairs "would provide a realistic and effective resource" for getting across organized labor's viewpoint to union members and the general public, the Executive Council reported.

Establishment of the institute was approved by the council this summer, following adoption of a proposal by AFL-CIO President Lane Kirkland. The nonprofit body would be governed by the council, and its staff recruited from experts in the electronic media field.

The institute would provide expertise on media technology, coordinate public relations programs, produce programs advancing labor's views, assist AFL-CIO affiliates upon request, and carry out other functions.

The council's Committee on Public Relations, re-established in February, said that a federation per capita increase should be considered to fund the institute.

New Alliance Opens Drive Against High Interest Rates

More than a dozen consumer, business, labor, agricultural and citizen action groups have created a national organization to fight high interest rates and reform the Federal Reserve Board.

The new National Council for Low Interest Rates announced it will lead a campaign against high interest rates and to achieve targeted Federal Reserve Board policies. It also will campaign to get more non-bankers on the board.

"THE ADMINISTRATION and the Congress have conspired to plunge us into economic chaos by recklessly cutting expenditures and taxes," said J. C. Turner, president of the Operating Engineers and chairman of the council. "Now we want them to apply some of that same zeal toward cutting interest rates so we can rescue this country financially."

The council has two objectives, Turner said. The first is to pressure the Federal Reserve to make less money available for corporate take-overs, commodity speculation and condominium conversions and therefore more money and credit available, at lower interest rates, for housing, construction and manufacturing.

The second aim is to democratize the board, which at present, he said, is controlled "by financial and academic types" whose "narrow viewpoints and experience have created the current unwise policies."

TURNER NOTED that high interest rates are keeping the construction industry depressed and have caused residential housing starts to dwindle to an annual rate of 918,000, half the 1978 rate. He said nearly 10 months of 20 percent-range interest rates have "dealt body blows" to auto and auto parts manufacturing, steel, iron, utilities and agriculture.

Members of the council include representatives of the National Farmers Union, Full Employment Action Council, National Housing Conference, NAACP, General Contractors of New York, Auto Workers, AFL-CIO Industrial Union Dept., Carpenters, U.S. Conference of Mayors and American Public Power Association.



MONUMENT HONORING fire fighters who died in the line of duty was dedicated at the National Emergency Training Center at Emmitsburg, Md., by Fire Fighters President John Gannon. Gannon said the memorial represents welcome national recognition of the hazards of the firefighting profession. About 150 fire fighters die each year as a result of fires.

Stronger Labor, Rights Ties Pressed to Preserve Gains

New York—The labor movement and organizations concerned with civil and human rights "need each other as never before" in the face of growing assaults on affirmative action, equal opportunity and equal employment, the Executive Council stressed in its report to the convention.

Labor will continue to build coalitions with civil rights groups, women's organizations, religious organizations and others concerned with "human rights, equal opportunity and social and economic justice," the report said.

THE COUNCIL said it was "alarmed by what appears to be a low ebb in the nation's commitment to civil rights" and noted that "the strident voices of the radical right" are urging those who already oppose organized labor to "grow more and more anti-labor and anti-civil rights."

The need to end discrimination in the workplace remains acute, the council said, adding that civil rights enforcement by the federal government, relegated "to the back burner" by the Reagan Administration, is essential. The council pointed to "disabling" budget cuts by the Administration that have hurt civil rights programs as well as social programs that aided minorities, women and the poor.

THE VOTING RIGHTS Act, which resulted in a dramatic rise in black voter registration and helped in the election of more black public officials, will be up for renewal in 1982, the council noted, and vital provisions of the act should be renewed to remove all remaining barriers to black voter participation.

Other areas of civil rights concern cited by the council report include:

- The need to expand affirmative action plans including the increased recruitment and preparation of women and minorities for jobs, training programs and promotion, particularly through the collective bargaining process.
- Greater commitment of public resources for job development and training programs, such as the Comprehensive Employment & Training Act now slashed by the Administration's budget. "The likelihood of minority youth never holding a job spells deep trouble in many central cities," the council stressed.
- Effective enforcement of civil rights laws that are being weakened by changes in procedures and practices in some federal rights agencies.

THE COUNCIL praised the civil rights activities of the A. Philip Randolph Institute, the Coalition of Labor Union Women and the Labor Council for Latin American Advancement, all active in community programs such as voter registration.

APRI, CLUW and LCLAA also provide a bridge between the labor movement and minorities and women, encouraging them to take an active role in their unions, participate in political activities and work for passage of the Equal Rights Amendment as well as in organizing efforts, the council said.

It cited also the strong ties the labor movement maintains with organizations such as the NAACP, the Urban League, the National Urban Coalition, the Martin Luther King Center for Nonviolent Change, and Southern Regional Council.

Delegates Shape Legislative Goals In West Virginia

Charleston, W.Va.—The West Virginia AFL-CIO convention adopted a state legislative program that includes collective bargaining rights for public employees.

The 450 convention delegates also called on the legislature to:

- Raise the ceiling on workers' compensation and make other improvements.
- Add a dependents' benefit to unemployment insurance, raise the formula for determining the maximum benefit and increase the amount of incidental earnings allowed before payments are reduced.
- Bar polygraph tests in employment.
- Preserve the state's prevailing wage law on construction contracts.

The convention re-elected President Joseph W. Powell and Sec.-Treas. Jack R. McComas to four-year terms.

On national issues, delegates firmly opposed any reduction in social security benefits. And they gave strong applause to Sen. Robert C. Byrd (D-W.Va.), the Senate's minority leader, who denounced the Reagan Administration's slashing of budgets for programs to assist workers, students, the aged and the needy.

Gov. John D. Rockefeller IV addressed the convention as did a number of other public figures and state officials.

'A Force for Stagflation'

Housing Crisis Fuels Inflation, Joblessness

New York—High interest rates fostered by the Federal Reserve Board and the Reagan Administration have depressed the housing industry to the point where millions of families cannot buy homes, the Executive Council noted in its report to the AFL-CIO convention.

The startling decline in new home starts means continued joblessness in a weakening economy, the council said. Almost 17 percent of construction workers were unemployed in August, along with many workers in construction material industries.

"IN THE ABSENCE of increased production, housing will be a force for stagflation, with continued shortages and high prices," the report predicted.

"The housing industry is being squeezed in a vise of high interest rates and declining starts that is certain to aggravate inflation in housing costs for many years. Home buyers and other housing consumers are the victims of these forces."

In another section of its report, the council charged that the Reagan Administration has encouraged the Federal Reserve Board to maintain tight monetary policies to provide the semblance of an anti-inflation program. The result has been mortgage interest rates of 17 percent or more that have devastated the housing industry and its consumers.

TO THE EXTENT that the inflation rate has declined this year, the council said, it is due to a change in the demand-supply situation in the world oil and food markets rather than the Fed's tight-money policies.

The council noted that in 1980 the brief implementation of credit controls proved to be helpful in bringing down interest rates significantly and reversing the preceding decline in home building and general economic activity.

Today, in the mortgage financing market, financial institutions and regulators are vigorously promoting use of variable rate and renegotiable mortgages that shift the risk of higher interest rates from lenders to homeowners, making home ownership more difficult to attain for workers.

HOUSING STARTS in the first half of 1981 averaged 1.3 million at an annual rate, the level of the previous year, but since then have averaged only about 1 million.

"The acute housing shortage, reflected in a second-quarter 1981 national rental vacancy rate of 5 percent and a 1.3 percent homeowner vacancy rate, is both an economic and a social problem," the council observed. "It contributes to inflation in the sale and rental of housing and, at the same time, traps families in substandard housing or poor neighborhoods."

The poor suffer especially in a housing shortage, the council said. The tight rental housing situation continues as construction starts of structures of five or more units lag below the levels needed. While low-income families have the greatest need for rental housing, there was little relief promised in the low rate of total housing construction starts in 1981.

THE REAGAN Administration's proposed budget authority revisions for the current fiscal year were intended to reduce the number of added low-income rental units that could be supported by the U.S. Dept. of Housing & Urban Development from 260,000 to 175,000 units. This was further reduced by Congress in the budget reconciliation process to about 154,000, the council noted. The HUD homeownership assistance program had no Administration support at all.

Also, the council noted, the budget reconciliation bill for 1982 raised the required tenant rent payment for subsidized housing over a period of five years from 25 to 30 percent of income.

"This directly affects the poor, who are least able to cope with today's high prices," the council pointed out.

Industrial Base Threatened By Unfair Trade Practices

New York—Unfair trade practices, including dumping and foreign government subsidies, continue to erode the U.S. industrial base and destroy American jobs, the Executive Council said in its report to the convention.

At the same time, the council noted, budget slashes pushed through Congress by the Reagan Administration have virtually wrecked the trade adjustment assistance program for workers injured by imports.

WHILE THE dollar volume of both imports and exports rose substantially in the past two years, the nation's deficit in merchandise trade exceeded $32 billion in 1980 and increased to an annual rate of $38 billion in the first half of 1981, the report observed.

Problems stemming from foreign trade have affected more than just basic domestic industries such as steel, autos and textiles, hitting many smaller industries and parts of industries as well.

The council noted that trade in manufactured goods exceeds the total U.S. output of these items by as much as 30 percent. As a result, it said, America must depend either partially or wholly on other countries for such items as aircraft parts, autos and auto parts, bearings, industrial fasteners, forgings, castings, steel and electrical products.

THE RAPID spread of multinational firms and banks is also causing problems for U.S. service industries, affecting such areas as broadcasting, shipping, and air travel, the report noted.

The council charged that the mechanism for relief for industries and workers threatened or injured by imports "has become a mockery." It pointed out that relief was granted in only nine of 45 cases brought before the International Trade Commission since 1974.

"Relief for the auto industry was not even recommended by the International Trade Commission, despite import injury affecting close to one million jobs in autos, parts and services," the council said. "Some temporary action was taken by Japan in 1981 to restrain minimally auto exports, but no help was forthcoming for parts producers."

THE COUNCIL noted that when the ITC found that the leather apparel and shoe industries had been injured by imports, the President failed to grant relief in either case.

And the minimal relief granted to the color television, specialty steel and fastener industries was subsequently phased out or reduced.

A major problem afflicting U.S. industries and workers, the report noted, is that the burden of proof falls upon the injured party.

"FOREIGN governments increasingly subsidize microprocessing devices, robots and telecommunications development and production," the report said. Countervailing duty actions have been taken against subsidized imports of construction castings and industrial fasteners from India, but such actions have been few.

The council also pointed out that the codes of conduct established in the 1979 Multilateral Trade Negotiations have not produced substantive results since most nations have not endorsed the action.

Council Presses Struggle for Justice

Convention Report Renews Century-Old Commitment

(Continued from Page 1)

ecutive Council "and a renewed commitment to strengthen minority participation on the council and at every level of the trade union movement."

Reaffiliation of the Auto Workers brings back "a union with an outstanding tradition of struggle for social and economic justice, and advances the cause of labor unity," he said.

Kirkland reported enthusiastically on the series of AFL-CIO regional conferences held last spring which brought officers and national staff of the AFL-CIO into a "free-flowing and candid" interchange of views with grass-roots union leaders throughout the country.

The AFL-CIO "has met the challenge of transition," Kirkland said.

HE NOTED organizing achievements and the launching of a coordinated organizing drive in Houston involving more than 30 international unions.

But "the most memorable event of our centennial year was Solidarity Day," Kirkland said.

That mammoth demonstration "was a powerful answer to the President's charge that American labor is out of step with its rank-and-file," he observed.

While "no single demonstration can reverse the Administration's course," Solidarity Day sent a message that was followed by a partial retreat by Reagan on social security and school lunch cuts, and signs of stiffening resistance by Congress to Administration policies, Kirkland noted.

THE FINANCIAL section of the Executive Council report, by Sec.-Treas. Thomas R. Donahue, cited an increase in the federation's net worth over the past two years and includes detailed, audited financial statements covering AFL-CIO income and expenditures.

Despite the impact of the recession, membership averaged over the past two years was virtually unchanged from the previous record—at 13.6 million. If the full membership of the newly reaffiliated UAW were included, the total would rise to about 15 million. Mergers involving eight unions since the last convention leave the number of AFL-CIO affiliated national and international unions at 102.

The 35-member Executive Council includes 13 vice presidents elected since 1977, eight of them since the opening of the 1979 convention.

A SPECIAL section of the Executive Council report deals with the AFL-CIO's centennial year program, stressing that the anniversary "has provided a golden opportunity for labor to present its story to the American public, as well as to its own members."

The opening of the AFL-CIO's 14th convention on Nov. 16 comes 100 years and one day after 107 delegates met in Pittsburgh to establish the Federation of Organized Trades & Labor Assemblies, which evolved into the American Federation of Labor and then the AFL-CIO.

Sections of the council report deal with activities of AFL-CIO headquarters departments, the George Meany Center for Labor Studies, the federation's Human Resources Development Institute and other specialized functions.

LABOR'S international role is spotlighted in a 20-page section that points up the AFL-CIO's staunch commitment to human rights everywhere in the world. It reports on the federation's assistance to the Solidarity trade union federation of Poland, participation in international organizations, and the activities of the AFL-CIO's own American Institute for Free Labor Development, African-American Labor Center and the Asian-American Free Labor Institute.

In the domestic area, the Executive Council report covers 1980 and 1981 developments in Congress and the Supreme Court and examines in substantial detail the shape of the U.S. economy.

It cites the abnormally small growth in jobs and the squeeze on workers' paychecks as wage increases continue to trail living costs.

AFTER INFLATION and tax deductions, the report notes, the average worker's buying power decreased by 9.7 percent over the July 1979 to July 1981 period.

In dozens of specific subject areas covered by the council report, the impact of the Reagan Administration's policies and budget cuts is a recurrent theme.

The report cites the shortchanging of city and state needs through elimination and underfunding of federal grant programs.

It cites the severe decline in housing starts under the battering of tight money and high interest.

ENERGY conservation programs have been discarded, clean air goals virtually abandoned, and transportaiton needs unmet, the council notes.

Occupational safety and health progress has been set back, the report details, through retreat on regulations as well as through budget cuts and legislative changes.

The Reagan Administration has "substituted dollar costs for human values," the council charges. "No longer is the safety and health of workers the prime concern, but rather the protection of management from being requested to provide a safe and healthful workplace."

THE REPORT takes note of the virtual abandonment of trade adjustment assistance for workers whose jobs have been wiped out by imports, and the severe cuts in food stamps, social services and welfare for the needy.

All of the government's prevailing wage and labor standards are threatened by administrative changes in regulations as well as legislative attacks, the council reports. At stake is the preservation of "the basic principle that businesses should not compete for government contracts by exploiting workers and endangering their health and safety."

A civil rights section of the Executive Council report points up the fact that progress made over the past quarter-century is endangered by budget actions as well as "by what appears to be a low ebb in the nation's commitment to civil rights."

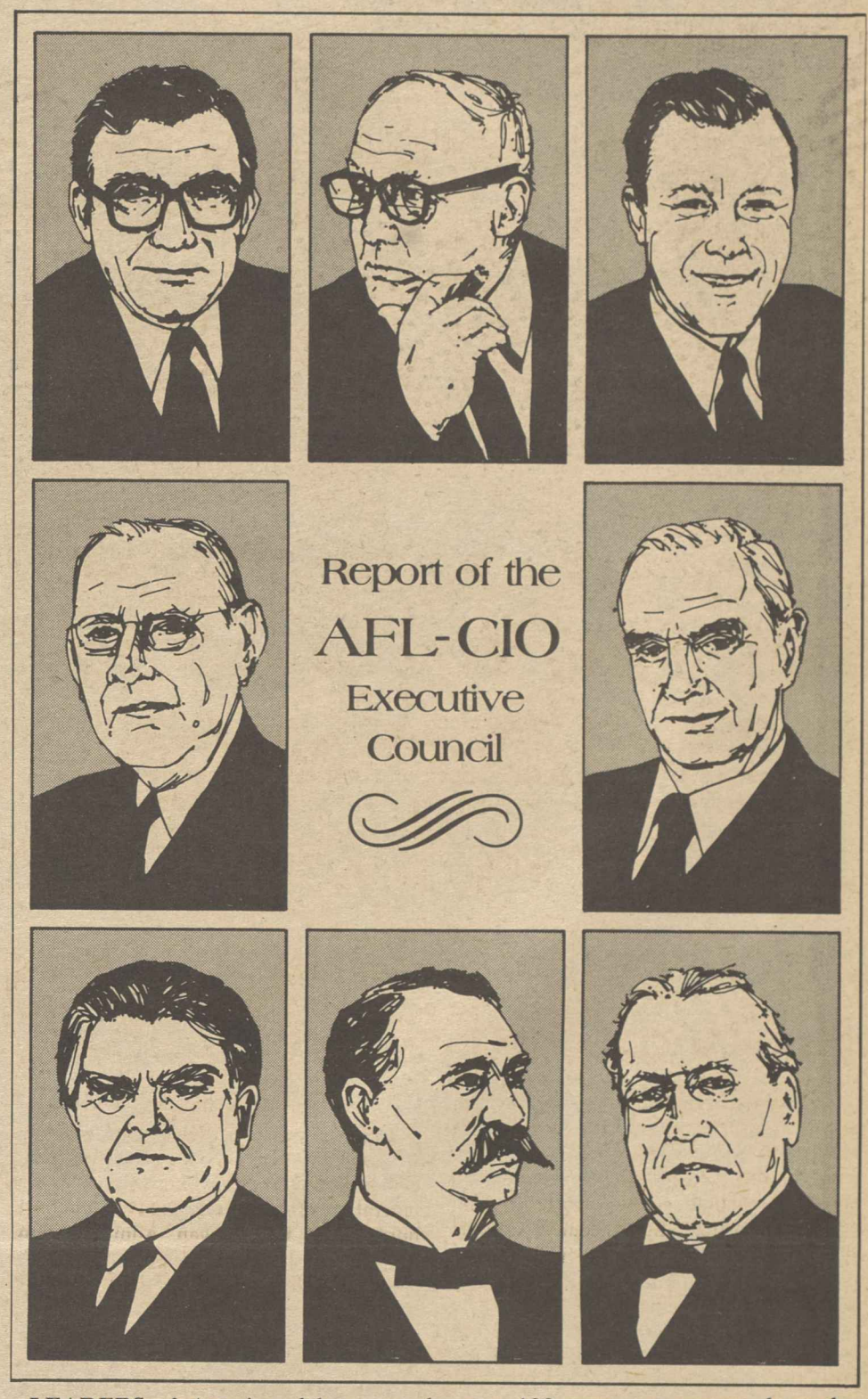
IT NOTES that "the Reagan Administration's meat-axe slashing of employment and training funds falls heaviest on minority, women and disadvantaged young workers." And with unemployment "at dangerously high levels," black joblessness is more than twice the rate of whites.

A political activities section of the Executive Council report cited the nation's economic ills and "weakness at the top of the ticket" as factors contributing to the conservative takeover in the 1980 elections. And "the Democratic Party, nationally and in most states, was at its weakest level in many years."

Nevertheless, the report points out that COPE helped bring a 65 percent turnout of union members—compared with less than 53 percent for the nation as a whole. Key precinct checks gave President Carter 58 percent of support from union members compared with his 41 percent overall vote.

CONSIDERING the record of the Reagan Administration since taking office, Kirkland wrote in the introduction to the council report, "the labor movement can be proud of COPE's efforts."

In opposing Reagan's candidacy, "we were right a year ago," Kirkland said, and "we are still right."



LEADERS of American labor over the past 100 years are portrayed on the cover of the Executive Council's report to the 14th convention of the AFL-CIO. Top row, left to right, are Lane Kirkland and George Meany, the only ones to serve as president of the AFL-CIO since its formation in 1955, and Walter P. Reuther. Center row, are William Green, left, and Philip Murray. Bottom row, left to right, depicts John L. Lewis, John McBride, and Samuel Gompers. Reuther, Murray, and Lewis headed the CIO while Gompers, Green and McBride were heads of the AFL.

Unions Take Stronger Role On Pension Fund Investment

New York—Considerable progress has been made at all levels of the labor movement during the past two years on issues involved in the investment of union pension funds, the Executive Council reported.

The council cited the response of AFL-CIO affiliates to the recommendations of its special committee on pensions that member unions take an active role in shaping the investment and management of their funds with the aim of serving the best interests of participants and beneficiaries.

NATIONAL, regional and local labor organizations have undertaken a wide range of actions outlined by the Committee on the Investment of Union Pension Funds, the council noted in its report to the convention. These have included:

- Establishment of investment accounts to target portions of union pension funds toward union-built construction and other enterprises.
- Negotiation of collective bargaining agreements providing for a greater union voice in the management of employer-controlled plans.
- Development of new accounts by state public employee pension funds to provide for low-cost home mortgages, investment in construction and other economic activity aimed at creating jobs.
- Exercise of shareholder rights to advance union interests in collective bargaining, equal employment opportunity, job safety and health, and plant closings.

THE COUNCIL noted that some progress also has been made in the administration of the federal Employee Retirement Income Security Act, but that many problems still exist—largely because administrative duties are split between the Labor and Treasury Departments.

The report welcomed legislation, signed into law last September, strengthening termination insurance provisions on multi-employer pension plans. Another major development in the past two years was a recommendation of a presidential commission calling for a universal pension system for all workers, although the council noted that other proposals of the commission could be detrimental.

The council also reported that the AFL-CIO Mortgage Investment Trust is being reorganized to widen investment opportunities for union pension funds.

Donahue Hits Wage-Busting On Standards

(Continued from Page 1)

changes "that undermine wages, working conditions and quality of work."

A proposed change that would apply the law's protections only to contracts in which the provision of services is the "principal purpose" would exclude more than two-thirds of the men and women employed to clean government-leased facilities, he protested.

OTHER PROPOSED changes, Sweeney testified, in effect "guarantee" that contractors located in low-wage areas will be given preference.

● Machinists Vice President George J. Poulin stressed that Congress demonstrated its support of the prevailing wage principle by enacting amendments in both 1972 and 1976 that enlarged the law's protections. The 1972 amendments required contractors to honor the terms of prior collective bargaining agreements if they successfully bid on a contract, and the 1976 change expanded coverage to include white collar as well as blue collar workers.

Changes sought by the Labor Dept., including exemption of maintenance and repair of high technology equipment, "will practically repeal" portions of the law, he charged.

"Government departments are supposed to carry out, not subvert, congressional intent," Poulin said.

● Laborers Legislative Director John T. Curran said enactment of the Service Contract Act made it possible for "some of the most exploited and some of the most victimized workers" to begin to improve their conditions. Previously, whenever workers organized or obtained a raise, their gains would be wiped out when a competing employer took over the contract on the basis of a substandard wage scale, without fringe benefits.

THE PRINCIPLE of the law remains as valid today as when it was first enacted, Curran insisted. "Quite simply, it is not the role of government to force down wages."

The economic impact analysis on which the Labor Dept. justifies its regulatory proposals, Curran stressed, deals exclusively with the effect on industry and the government agencies contracting for services. "In not one sentence does it examine the economic cost to workers of having their wages cut, of forfeiting their health coverage, of retiring with no pension plan . . . or losing their jobs because of the constant turnover of service contracts."

In the AFL-CIO's testimony, Donahue challenged the Administration's apparent assumption that something must be wrong with a program to protect labor standards if it results in a higher cost to the government.

Federal procurement procedures that bar awarding contracts on the basis of the lowest wages and most substandard conditions "are expected to result in higher costs" than with a lack of standards, Donahue commented. If that were not the case, "there would be no need for them," he said. But a proper regulatory analysis, he suggested, should consider "the benefits which flow to the workers and society as a whole."



CHANGES PROPOSED by the Reagan Administration in regulations governing the Service Contract Act would deprive tens of thousands of workers of the law's prevailing wage guarantees, union witnesses charged at House hearings. Testifying here is Machinists Vice President George J. Poulin. With him are IAM Economist Stanley Wisniewski, left, and Atty. Joseph Manners, right.

Social Programs Victims Of Budget-Cutting Overkill

New York—Social security protections, health programs, welfare reform, social services and food stamp assistance have been among the most visible targets of the Reagan Administration and its allies in Congress.

The AFL-CIO Executive Council report points up the overkill of President Reagan's recommendations for slashing social security benefits to meet funding problems that can be resolved through less drastic means.

PUBLIC UPROAR over the Reagan plan forced the Administration to pull back in what the council termed "a temporary retreat while the President explores social security cuts by other means."

Both Medicare for the elderly and Medicaid for the poor have been cut back as a result of Administration budget pressure, although not quite as heavily as the President had sought.

The council termed the Medicare cuts, which include a requirement that the elderly pay more in out-of-pocket deductibles, a breach of Reagan's "pre-election pledge not to cut social security benefits for the aged."

THE COUNCIL noted also the substantial cutback in the food stamp program, including the dropping of assistance to more than 1 million persons, reduction of help for others, and banning outright food stamps to families of workers who are on strike, even though they are eligible on the basis of need.

Looking at the health care field, the council report cited the continuing escalation of costs, coupled with the Administration's determination to reduce federal programs and shift costs to the states and private sector.

The federal health programs that were continued intact, rather than consolidated into reduced-funding block grants to the states, have had their spending authorizations cut 25 percent as part of the budget process.

WELFARE REFORM proved to be another victim of the Reagan Administration, the council report observed.

Action already taken through the congressional budget process includes:

● Reducing aid to families with dependent children (AFDC), "in some cases to less than 50 percent of the poverty level."

● Slashing payments to the working poor, "thus punishing mothers who under the most adverse circumstances are trying to work their way off the welfare rolls."

● Imposing work-without-pay obligations for persons receiving AFDC assistance.

● Disqualifying the family of a striker from obtaining welfare assistance based on loss of income.

Rail Carriers, Labor Back Safety Plan

For the first time in their long relationship, railroad labor and management have cooperated in working out proposed federal safety rules that promise safer conditions for workers, increased efficiency for the carriers and greater safety and savings for the public.

Chairman Fred Hardin of the Railway Labor Executives Association announced that the RLEA safety committee headed by J. R. Snyder hammered out the safety proposals with the American Association of Railroads.

THE RLEA AND AAR presented to Federal Railroad Administrator Robert W. Blanchette their proposed changes in safety regulations on power brake rules, track standards, and the strict enforcement of penalties for violations.

A significant change calls for a "car inspector" to make a thorough inspection of a train and certify its safety to the engineer before its departure from the initial terminal. The inspector will check the brakes and look for cracked wheels, broken flanges and other unsafe conditions.

The proposed new rule probably would have averted a serious runaway train accident near Kelso, Calif., a year ago which took the lives of three rail workers and caused $1.2 million in damage. Just a few weeks ago, the National Transportation Safety board criticized the Union Pacific Railroad for the faulty braking system on the 20-car work train. The train had gone out of control down a long grade at 120 miles an hour, crashing into a UP freight train which had speeded up to 80 miles an hour to avoid the collision.

TO PUT TEETH in the safety inspection proposal, the RLEA and AAR agreed that penalties for violation of the regulations "will not be compromised." At present, penalties of $250 to $2,500 are assessed for violations, but the practice is to let them accumulate and then bargain them downward.

Another key proposal would strengthen track standards by requiring that a qualified supervisor be on the scene while segments of track are being repaired or renewed.

HARDIN AND Snyder said the proposed changes would substantially improve the safety conditions for rail employees and also save the railroads and the public millions of dollars now lost because of unsafe trains, track and accidents.

Reaganomics Blamed for 8% Jobless Rate

(Continued from Page 1)

victims of the Reagan recession. "For them, the desolation is 100 percent," he said.

AT THE WHITE HOUSE, Deputy Press Sec. Larry Speakes said the President considers the unemployment situation to be a "natural short-term consequence of unwinding the deeply rooted inflation that is embedded in the American economy. . . . We anticipate that the rate could move somewhat higher over the next few months before declining as the economy strengthens in 1982."

But House Speaker Thomas P. O'Neill Jr. (D-Mass.), in remarks at a conference of business leaders in New York, said the current recession is a "deliberate and conscious policy" of the Administration.

THE AFL-CIO Executive Council last February warned that Reagan's budget, monetary, and regulatory proposals would require "more sacrifice from those who have little," and make those who are already wealthy the only "sure winners" in a hazardous "high-risk gamble with the future of America."

Reflecting the pervasiveness of the recession throughout the economy, employment gains in October were registered by only one-third of the 172 industries that report monthly to the Bureau of Labor Statistics. BLS Commissioner Janet L. Norwood, at a congressional Joint Economic Committee hearing, said the October statistics showed a "substantial deterioration" in the labor market. The largest employment decline was in manufacturing, led by transportation equipment, lumber and wood products, and electrical equipment.

NORWOOD NOTED that the number of persons working part time because their hours were cut back or they were unable to find full-time work reached a record 5 million in October. One experimental measure of unemployment, which counts part of these workers as unemployed, put the jobless rate for the month at 10.4 percent, instead of 8 percent.

Most of the increase in joblessness was among workers who lost their jobs and people who had worked previously, then left the labor market and were looking for jobs again, BLS said.

The rise in unemployment among adult males was particularly sharp, from 6.2 to 6.7 percent. Teenage joblessness jumped from 19.3 to 20.6 percent, the highest level in six years. Unemployment among full-time workers rose over the month from 7.2 to 7.7 percent.

THE LAST TIME the overall national jobless rate was as high as 8 percent was in December 1975, when it reached 8.2 percent. The postwar unemployment peak of 9 percent occurred in May 1975. During the 1980 recession, the rate topped off at 7.6 percent.

Total employment was unchanged over the month at 98,217,000 as a decline among adult men and teenagers was offset by an increase among adult women. But nonfarm payroll employment declined significantly, by 200,000.

Two-thirds of the over-the-month decrease in factory employment took place in durable goods industries. The service-producing sector as a whole registered a gain of 90,000 jobs over the month, although the only sizable increases were in the services industry and in retail trade.

Over the last three months, employment in steel has dropped by 35,000 jobs, autos by 80,000, lumber and wood products by 40,000, and state and local government employment by 160,000. Construction over the past year is down by 130,000 jobs.

The next issue of the AFL-CIO News will be published Nov. 28, 1981, because of the convention and Thanksgiving holiday schedules.

That issue will contain detailed coverage of the actions of the AFL-CIO's 100th anniversary convention.

11/14/81

Correspondence about address corrections should be sent with attached mailing label to: Subscriptions, Room 209, 815 16th Street, N.W., Washington, D.C. 20006.



Convention Charts Course To Advance Labor's Goals

AFL-CIO News

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Per Capita Rise Voted to Fund New Programs

New York—Major programs to expand the actvities and services of the AFL-CIO drew the support of the convention with its approval of a two-step increase in the federation's per capita payment to provide the necessary funds.

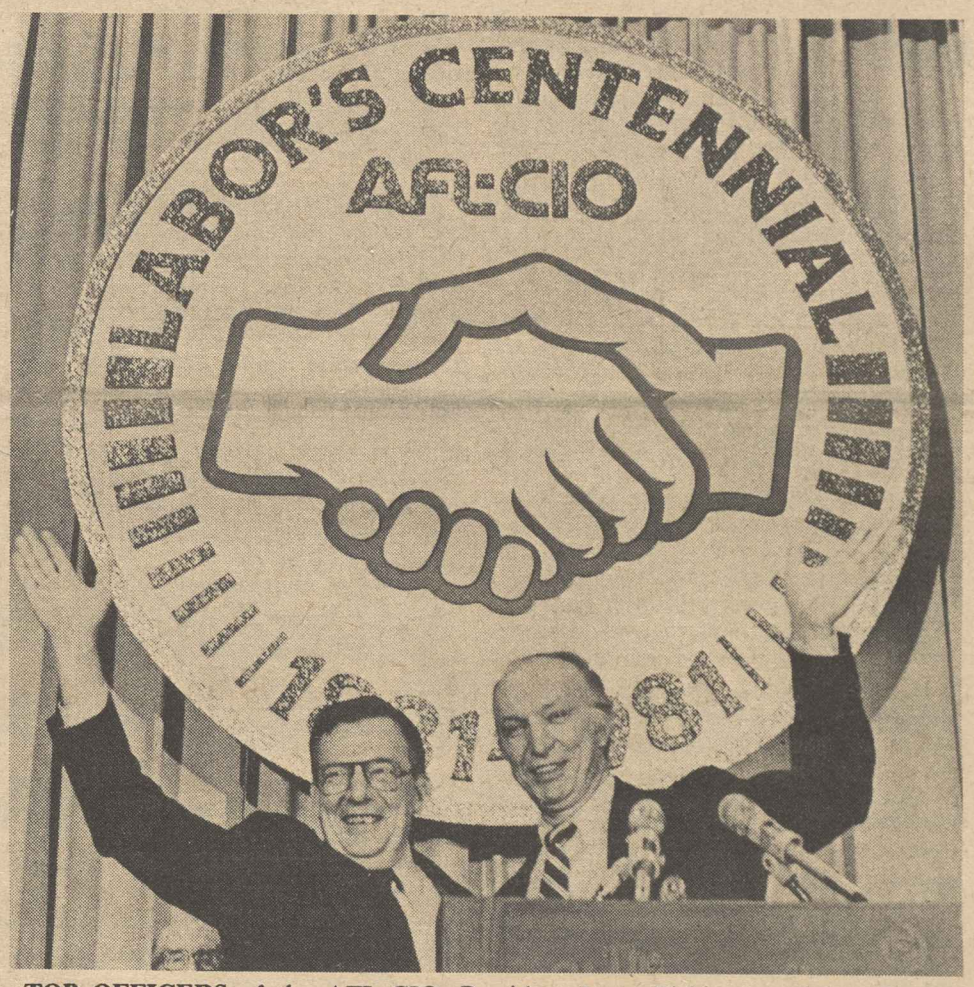
Beginning with payments for next January, the monthly per capita tax paid by affiliates on their U.S. membership will increase from the present 19 cents to 24 cents. Starting with payments for January 1983, the payment will go up another 3 cents, for a total of 27 cents.

THE CONVENTION unanimously adopted the Executive Council's recommendation for the per capita increase based on a study by the council's finance committee, which projected added costs for the new program at almost $11 million a year.

The council listed five areas of expanded activity and initiatives by the federation:

- Creation of the Institute for Public Affairs, continuation of the regional conferences held for the first time last spring, work with the Budget Coalition and similar special activities, which will require expenditures of about $3 million a year.
- Reaffiliation of the AFL-CIO with the International Confederation of Free Trade unions, just approved by the council and endorsed by the convention, which involves dues of $1.5 to $1.6 million a year plus $175,000 a year in contributions to the ICFTU's Solidarity Fund.
- Construction of the George Meany Memorial Library and Archives at the

(Continued on Page 2)



TOP OFFICERS of the AFL-CIO, President Lane Kirkland and Sec.-Treas. Thomas R. Donahue, salute the convention delegates following their re-election by acclamation to new two-year terms.

New Century Opens on Era Of Challenge

By John M. Barry

New York—The AFL-CIO opened a new century for the organized American labor movement with a program to build on the foundations of its pioneers and surmount the challenges facing the nation's workers and their unions.

The 14th convention was the celebration of a century of achievement since the AFL-CIO's birth in November 1881 as the Federation of Organized Trades & Labor Unions.

BUT THE CONVENTION was much more than a tribute to past victories. Its overriding theme was the determination of the 836 delegates to carry forward the spirit of solidarity with policies and programs to spur union growth, preserve workers' rights and deal with economic and political change.

"We are here in strength and vigor," AFL-CIO President Lane Kirkland told the delegates, "because those who went before us and built this great instrument of progress did indeed adapt its role and

(Continued on Page 3)

Kirkland Dissects Reagan Policy Failures

By David L. Perlman

New York—AFL-CIO President Lane Kirkland keynoted the federation's centennial convention with a sharp-edged dissection of Reagan Administration policies and a summons to the trade union movement to get America back on course.

On the domestic front, Kirkland scored the President's "carrot-and-stick" policy of lavish rewards for the rich and "for the poor, a stick."

HE SPOKE OF the shambles the Reagan Administration has made of the economy and noted that its lauded "mastery of Congress" has pushed unemployment to new heights while depressing the "real wages" of those still employed.

Kirkland contrasted the "amiable" public image of President Reagan with the "cold heart and hard fist" he displayed to the fired air traffic controllers. After having used "the full force of government to break a small union," was it then necessary to "shoot its wounded," Kirkland asked.

Administration foreign policy blunders have dismayed America's allies, Kirkland charged, and its human rights policy seems to be based on a fine distinction "between lice who are totalitarian and lice who are authoritarian." The labor movement still stands for "freedom of association everywhere," Kirkland declared.

DELEGATES repeatedly interrupted Kirkland with applause and especially delighted in his tongue-lashing of David Stockman, the director of the Office of Management & Budget who admitted in a magazine interview that the Administration's "supply-side" theory is merely trickle-down economics in sheep's clothing.

Nothing the Administration's critics could say is even half as devastating as the "fleeting spasms of honesty of its leading hatchet man," Kirkland suggested.

"You don't have to be an old sailor to know what it means when the smartest rat on board heads for the hawsepipe," he said.

KIRKLAND admitted a lack of sympathy for the embarrassment of Stockman, whose "proudest boast" is the destruction of public service employment and trade adjustment assistance programs.

"He was the original interior decorator of this economic house of ill repute," Kirkland said, and now claims "he was only the piano player in the parlor" and "never knew what was going on upstairs."

Kirkland's keynote was more than a biting commentary on an Administration that "promised us a boom and brought us a bust."

He spoke of the drastic changes that have taken place in the nation and its labor movement in the hundred years of the AFL-CIO and its immediate predecessor trade union federations.

THE NEXT century will see equally drastic changes, Kirkland predicted, and the labor movement will meet the challenge.

Labor has sometimes lagged behind and "at times we have surged ahead" of the curve of change, he noted. "Like our na-

(Continued on Page 3)



NEW VICE PRESIDENTS elected to the AFL-CIO Executive Council are shown with Federation President Lane Kirkland and Sec.-Treas. Thomas R. Donahue. They are, from left, Letter Carriers President Vincent R. Sombrotto; Glass Bottle Blowers President James E. Hatfield; Donahue; AFGE Women's Affairs Director Barbara B. Hutchinson; Kirkland; Railway & Airline Clerks President Richard I. Kilroy, and Seafarers President Frank Drozak.

Kirkland, Donahue Get New Terms, Five Newcomers Elected to Council

New York—AFL-CIO President Lane Kirkland and Sec.-Treas. Thomas R. Donahue were re-elected by acclamation to their second two-year terms at the federation's centennial convention.

They will share leadership with 33 other Executive Council members, the vice presidents of the AFL-CIO.

FIVE NEW members elected to the council are Frank Drozak, president of the Seafarers; James E. Hatfield, president of the Glass Bottle Blowers; Barbara B. Hutchinson, director of women's affairs for the Government Employees; Richard I. Kilroy, president of the Railway & Airline Clerks, and Vincent R. Sombrotto, president of the Letter Carriers.

The 28 incumbent vice presidents re-elected are John H. Lyons, Thomas W. Gleason, Frederick O'Neal, Jerry Wurf, S. Frank Raftery, Martin J. Ward, Murray H. Finley, Albert Shanker, Glenn E. Watts, Sol C. Chaikin, Edward T. Hanley, Angelo Fosco, Charles H. Pillard, J. C. Turner, Lloyd McBride, David J. Fitzmaurice, Kenneth T. Blaylock, Alvin E. Heaps, William W. Winpisinger, William H. Wynn, John J. O'Donnell, John DeConcini, Wayne E. Glenn, Robert F. Goss, William Konyha, Joyce D. Miller, John J. Sweeney and Douglas Fraser.

Kirkland, 59, succeeded George Meany as president of the federation at the 1979 convention shortly before Meany's death. He earned his union card as a merchant marine officer in World War II, in the Masters, Mates & Pilots, which is now an affiliate of the Longshoremen.

HIS APPRENTICESHIP for the AFL-CIO presidency included nine years as executive assistant to Meany, followed by a decade as AFL-CIO secretary-treasurer.

ILA President Thomas W. Gleason placed Kirkland's name in nomination, and the president of the Masters-Mates, Robert Lowen, and Operating Engineers President J. C. Turner seconded it. Retiring AFL-CIO Vice President William H. McClennan, who was presiding, reported no further nominations. Vice President John H. Lyons moved for a unanimous ballot—and the delegates welcomed Kirkland back to the microphone with a standing ovation.

"We have a great deal of work to do together," he told them, "in carrying out the strong mandates of this convention. . . . Let's buckle down to it."

DONAHUE, 53, a former assistant secretary of labor, had been a vice president of the Service Employees before becoming executive assistant to Meany in 1973, and SEIU President John J. Sweeney placed his name in nomination, with New York City Central Labor Council President Harry Van Arsdale seconding it.

Donahue responded to his re-election with a pledge that the federation's leadership team will continue "to advance the interests of the members we serve and to assure for them the kind of decent, militant, progressive, scrupulously honest labor movement they deserve."

Drozak, 53, is president of the AFL-CIO Maritime Trades Dept. as well as the Seafarers. In both posts, he succeeded the late Paul Hall. Drozak was born in Alabama, went to work in a Mobile shipyard at 16, went to sea during World War II as a boatswain, and held increasingly important SIU posts during the post-war years.

HATFIELD, 50, has been president of the GBBA since 1977 and previously was the union's secretary-treasurer. He is a native of Pennsylvania, but joined the union when working at the Kimble Glass Co. in Columbus, Ohio. He moved through the ranks to become president of his local, a union organizer and regional director before becoming secretary-treasurer.

Hutchinson, 35, as director of women's affairs for the Government Employees, is one of the four national elected officers of the union. She is an attorney, most recently with the Equal Employment Opportunity Commission, and started as a shop steward for her AFGE local. She is a graduate of the University of Pittsburgh and the Dickinson School of Law. Her husband is an attorney in private practice, and they are parents of sons aged three and five.

Kilroy, 54, became president of the Railway & Airline Clerks on the death of Fred J. Kroll earlier this year. He became a railroad telegrapher on the Pennsylvania Railroad in Baltimore in 1951 and moved through that union's ranks to become the system general chairman. A merger made the union part of BRAC, and he was elected an international vice president in 1973.

SOMBROTTO, 58, has headed the Letter Carriers since 1979 and previously led the NALC's big New York local. He joined the postal service in 1947 and came to national attention in 1970 as a leader of the New York postal strike that turned out to be a key factor in achieving bargaining rights for postal workers under the Postal Reorganization Act.

The election of Hutchinson to the Executive Council, like the earlier election of Joyce D. Miller, a vice president of the Clothing Workers, was the outgrowth of a mandate from the previous AFL-CIO convention to explore ways to bring the viewpoint of women and minorities to the highest levels of trade union leadership.

Last year, the Executive Council concluded that this could best be done by waiving, for two council seats, the traditions that only a general officer of a union would be considered for the Executive Council and that there would be no more than one representative of any union among the federation's vice presidents.

Both the AFGE and the Clothing & Textile Workers now have two council members.

AT A SESSION immediately after the end of the convention, the new council adopted resolutions praising the record of service of the four members who left the council—Peter Bommarito of the Rubber Workers, Al H. Chesser of the United Transportation Union, William H. McClennan of the Fire Fighters, and Dan V. Maroney of the Amalgamated Transit Union.

The convention itself memorialized the late Fred J. Kroll of BRAC and other union leaders who died since the 1979 convention.

Per Cap Rise Voted to Fund New Services

(Continued from Page 1)

Labor Studies Center campus in Silver Spring, Md.

- Full funding from general revenues of the activities of the Committee on Political Education at a level of $3.5 million a year, along with the full assumption by the federation of the grants now being made by a number of affiliates to help finance the activities of such support groups as Frontlash, the A. Philip Randolph Institute and the Labor Council for Latin American Advancement.

- Operation of the cooperative organizing program recently launched in Houston, with the allocation of $250,000 a year for the next four years as an additional fund for this and subsequent campaigns.

COMMENTING on its projection of nearly $11 million a year in added costs as a result of these activities, the council observed that the federation has been striving to cut expenses and improve efficiency of current operations, but it noted that they are affected "by all of the long-run factors which are pushing up costs for all affiliates."

On the full funding of COPE activities from general revenues, the report said this would replace the past system of direct COPE quota payments by affiliates and help the AFL-CIO develop an even more effective program to insure the political education and encourage the political activism of union members. Affiliates that continue to conduct joint fund-raising drives for voluntary political contributions will receive "a suitable exoneration" of a portion of the per capita payment, with the amount to be decided by the council.

On the Meany Memorial Library and Archives, approved by the council last year as the AFL-CIO's chief tribute to its late president, funds would be set aside for construction costs in the amount of $1 million in 1983 and $2 million in 1984. In addition, administrative costs are anticipated at $125,000 in 1983 and $250,000 a year subsequently.

Amendments to Article XX Refine Disputes Procedures

New York—The AFL-CIO convention moved to improve the federation's internal disputes procedures under Article XX of the constitution through the use of a permanent mediator or mediators and creation of a nine-member Appeals Committee.

The convention adopted the report of its Constitution Committee that Section 8 of Article XX be amended to provide for the appointment by the president of the permanent mediator or mediators and that Section 13 be amended to cover the new Appeals Committee.

THE RECOMMENDATIONS grew out of a study by an Executive Council committee which found that the existing system of naming mediators on an ad hoc basis had not proved entirely satisfactory. The council said the availability of a permanent mediator would speed consideration of internal disputes cases.

The council also found that the present system of dealing with appeals from the rulings of impartial umpires, first through a council subcommittee and then through the full council, cuts too deeply into its meeting time.

The nine-member Appeals Committee approved by the convention will consist of the president, the secretary-treasurer and seven vice presidents drawn from various sectors of the labor movement. The vice presidents on the committee will be nominated by the president for two-year terms and approved by the council. No more than four vice presidents may be nominated for a second term, and no vice president may serve more than two consecutive terms.

While the rulings of the Appeals Committee will be final, the council as a whole will retain authority to issue policy statements "having prospective effect on the implementation of Article XX" for the guidance of umpires, council subcommittees and the Appeals Committee.

IN OTHER constitutional amendments, the convention approved revision of:

- Article IV, Section 8, dealing with the method for computing convention voting strength of affiliates. Henceforth the basis will be average monthly per capita payments for the 24-month period of the AFL-CIO's two fiscal years before the convention.

- Article XI, Sections 3 and 4, to strike references to the Railway Employes' Dept., which has disbanded.

- Article XI, Sections 6 and 7, to provide for annual reports to the AFL-CIO from each of its constitutional departments, rather than quarterly reports, and for the attendance by the chief executive officer of each department at the AFL-CIO Executive Council's regular meetings.

Public TV Series on Labor Endorsed by Delegates

New York—The AFL-CIO convention endorsed a proposed public television series —Made in U.S.A.—that would tell the story of America's workers and their unions.

More than 30 unions have provided seed money and others have pledged production support, the convention noted. Contributions also have been obtained from the National Endowment for the Humanities, Corporation for Public Broadcasting, foundations and other sources.

Convention Links Labor's Past, Future

(Continued from Page 1)

structure to the needs and demands of their times."

AND AS THE AFL-CIO crosses into its second century, Kirkland said, "solidarity remains the indispensable key to the future."

The convention responded by charting a course based on 87 policy resolutions and the approval of an eight-cent increase in per capita payments to finance expanded programs and new activities.

The delegates re-elected Kirkland and Sec.-Treas. Thomas R. Donahue by acclamation and chose a 33-member Executive Council that includes five new vice presidents.

The convention welcomed and supported the decision of the Executive Council to rejoin the International Confederation of Free Trade Unions, and it saluted Poland's Solidarity union as an inspiration to workers everywhere.

ON DOMESTIC matters, a recurring theme was the devastation being wrought by the Reagan Administration's policies on the nation's programs for social progress, the living standards and job protections of workers and the subsistence of the poor.

Of President Reagan himself, Kirkland observed: "He has shown a cold heart and a hard fist, but where, indeed, is the rest of him?"

Kirkland particularly denounced Reagan's harsh treatment of the striking Air Traffic Controllers in ordering their dismissal and seeking to break their small union, and a convention resolution called on the President to end his "demeaning vendetta" against PATCO.

From the political sphere, sharp and universal condemnation of the Administration's conservative economic and social policies came in addresses to the delegates by former Vice President Walter Mondale, Senators Edward M. Kennedy (D-Mass.) and Daniel P. Moynihan (D-N.Y.), House Speaker Thomas P. O'Neill, Jr., and New York Gov. Hugh Carey.

THE CONVENTION'S economic policy resolution spelled out alternatives to the Reagan Administration's "trickle-down" philosophy and called for its implementation on an emergency basis to halt the snowballing recession and lay a solid foundation for economic growth and full employment.

To spur trade union growth, the convention reaffirmed the AFL-CIO's commitment to organizing the unorganized, employing innovative as well as proven techniques and strategies, with particular emphasis on cooperative drives such as the project recently launched in Houston.

The central convention resolution on foreign affairs addressed problems in the major trouble spots of the world and called on the U.S. government to key its relations with other nations to their human rights policies.

THE DELEGATES also pledged continuing support for Histadrut, Israel's trade union federation, and urged support of a new fund set up by the Executive Council to assist black unions in South Africa.

Detailed stories on the resolutions adopted by the convention appear throughout this issue of the AFL-CIO News.

The per capita tax increase approved by the convention will raise the monthly payment of affiliates, now 19 cents per member, to 24 cents with the payment for next January and to 27 cents a year later. It is designed to meet nearly $11 million in added costs associated with the new Institute for Public Affairs, reaffiliation with the ICFTU, full funding of COPE operations from general revenue, construction of the Meany Memorial Library and Archives, and expanded organizing efforts.

THE NEW council members include four union presidents—Frank Drozak of the Seafarers, James E. Hatfield of the Glass Bottle Blowers, Richard I. Kilroy of the Railway & Airline Clerks, and Vincent R. Sombrotto of the Letter Carriers. The fifth is Barbara Hutchinson, women's affairs director of the Government Employees.

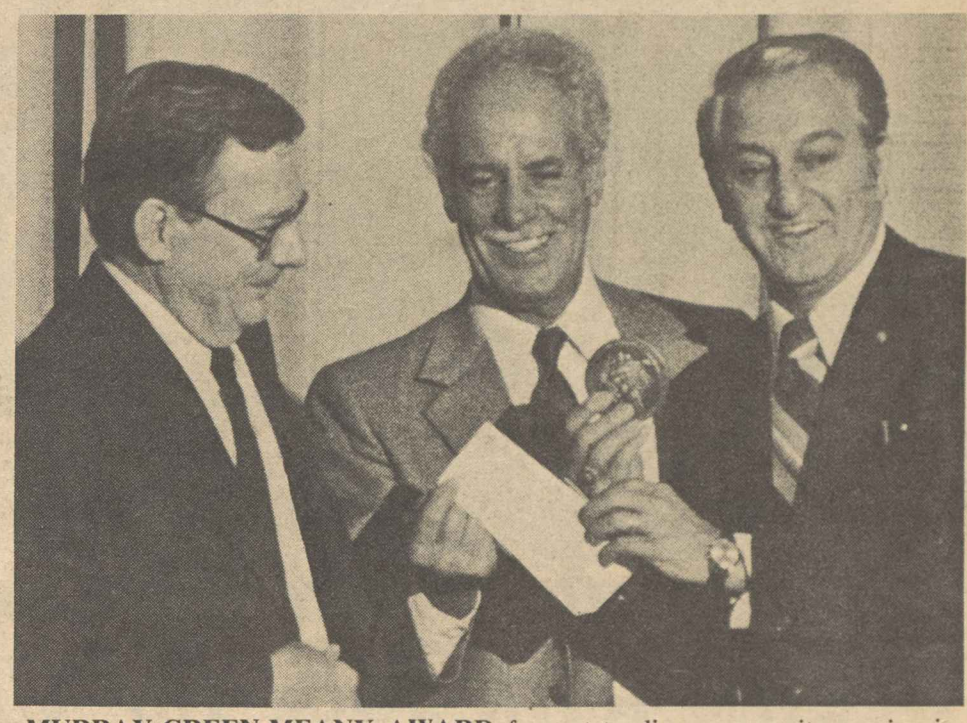
Women and minorities were strongly represented among speakers at the convention as the delegates heard pledges of continuing solidarity from Eleanor Smeal, president of the National Organization for Women; Henry L. Lacayo, national chairman of the Labor Council for Latin American Advancement, and Benjamin Hooks, executive director of the NAACP.

Among the nearly 100 foreign trade unionists visiting the convention, major addresses were given by the fraternal delegates from the Canadian Labor Congress, Dennis McDermott, and the British Trades Union Congress, Tom Jackson, along with ICFTU Gen. Sec. Otto Kersten.

Rev. Theodore Hesburgh, president of the University of Notre Dame and head of the Select Commission on Immigration & Refugee Policy, also addressed the delegates.

THE CONVENTION witnessed the presentation of the AFL-CIO's highest honor for public service — the Murray-Green-Meany award — to entertainer Danny Thomas in recognition of his work in founding and supporting St. Jude's Children's Hospital in Memphis, Tenn.

Another award, the first George Meany International Human Rights Award, was to have been accepted by Lech Walesa, leader of the Polish Solidarity union, but Walesa was forced to postpone his visit to the United States because of the situation in his country. A film on the formation of Poland's free labor movement prepared to accompany the presentation, was shown to the delegates.



MURRAY-GREEN-MEANY AWARD for outstanding community service is presented at the convention to Danny Thomas by AFL-CIO President Lane Kirkland and Vice President Peter Bommarito, chairman of the Executive Council's Community Services Committee. Thomas was honored for his founding and fund-raising support of St. Jude's Children's Research Hospital in Memphis, Tenn.

Award Cites Danny Thomas For Aid to Stricken Children

New York—Entertainer Danny Thomas was presented with the AFL-CIO's Murray-Green-Meany Award at the convention for his efforts to enlist public support for St. Jude's Children's Research Hospital, the non-profit medical center he helped found.

The award, named after the late federation leaders Philip Murray, William Green and George Meany, is presented annually to recognize individual contributions to the health and well-being of the nation and its workers. The prize includes a $5,000 grant.

AFL-CIO VICE PRESIDENT Peter Bommarito, chairman of the federation's Community Services Committee, said in presenting the award that Thomas had been chosen for it as "a man of immense spirituality, a man who loves mankind and has great faith in the goodness of people."

Thomas founded the hospital, Bommarito said, as a shrine to the patron saint of hopeless causes in thanks for his own success in show business. His efforts to raise funds to build the center began in 1946 and the hospital opened in Memphis, Tenn., in 1962.

In accepting the award, Thomas pointed out that the earliest support for the idea of the hospital came from the labor movement, including the Hotel & Restaurant Employees who gave some $250,000 toward the establishment of the center.

ANOTHER EARLY supporter was Bommarito's Rubber Workers, Thomas said, praising the labor movement for its generosity. His early attempts to obtain contributions from corporations and philanthropists were frequently turned down, he noted, because they "did not give to dreamers" or to "an ideal."

Bommarito pointed out that St. Jude's was the first institution established for the sole purpose of conducting basic clinical research in catastrophic childhood illnesses. It is non-sectarian, inter-racial and completely free to patients admitted by a physician for diagnosis.

When the hospital opened, Bommarito said, the survival rate from acute lymphoblastic leukemia was less than 4 percent, but treatment procedures developed at St. Jude's have helped raise the survival percentage to 50 percent.

THE HOSPITAL treats children with leukemia and solid tumor forms of cancer, as well as severe muscular diseases and blood disorders.

It conducts extensive research in biochemistry, cell biology, virology, immunology, pharmacology, hematology, pathology, bacteriology, nutrition and metabolism.

Urging the delegates to encourage contributions to the work of the hospital, Thomas stressed that its philosophy will remain that no one pays for its services. Every penny of contributions, he pledged, "will go to research and clinical care."

His plan, he told the convention, is to raise sufficient money for a trust fund to endow the hospital in perpetuity.

"Let's save the children," he urged, "not my kids, not your kids, they're everybody's kids. Everyone of them is a child of us all, and one child dying before his time is a loss to all of mankind."

Kirkland Dissects Policies Of Reagan Administration

(Continued from Page 1)

tion, we have been compelled to grapple with the consequences of vast technological, social and economic changes."

He acknowledged and rejected criticism of the labor movement for not confining its role to "the most narrow interests of the dues-paying members." The AFL-CIO won't abdicate its "leadership in the struggle for human freedom and human progress," Kirkland reiterated.

KIRKLAND PUT special emphasis on the two-way flow of communication between labor's leadership and the union membership.

At the federation level, he noted the success of the regional conferences which brought the officers and department heads of the AFL-CIO into "face-to-face discussions" with state and local union leaders covering "any and all issues, no holds barred."

From these sessions, Kirkland said, "emerged the concept of Solidarity Day," which evolved into "the greatest protest demonstration in our history." The AFL-CIO leadership came to the conclusion that the spirit required to make the Solidarity Day concept a success was there, "waiting for an opportunity of expression."

THE MEETINGS were so valuable that the AFL-CIO intends to "repeat them next year and in the future," Kirkland said, adding: "I strongly commend such a practice to every constituent organization."

The concept of solidarity applies to the trade union federation, Kirkland said. He welcomed the presence of the Auto Workers at the convention, and the "force and vigor" its reaffiliation brings to the AFL-CIO's "fight for social and economic justice."

Kirkland voiced the hope that all of the nation's unions will be "brought within the fold, to work and move together in solidarity."

HE TOLD the convention that for the trade union movement, "there is no matter of more constant urgency than to organize the unorganized."

He cited important breakthroughs made by affiliates in recent years, spoke of the AFL-CIO's initiation of a multi-union cooperative organizing program in Houston and stressed that "we intend to see it through." Labor's organizing growth, he suggested, has been partly masked by the effects of recession, the decay in the nation's industrial base and the changing nature of the remaining workforce.

"In the face of these trends," he suggested, labor's ability to grow at all "is a remarkable achievement."

THE NEXT big battle in labor's campaign, Kirkland stressed, is the 1982 congressional elections. The Reagan Administration is not labor's first experience with adversity, he noted, and "it shall endure and survive all these afflictions, as we have so many others."

"And now to work," Kirkland concluded, as the hall erupted into applause.

Convention Policies Set by 836 Delegates

The 14th AFL-CIO convention drew 836 delegates representing 91 national and international unions, eight constitutional departments, 43 state bodies, 178 local central bodies, and seven directly affiliated local unions.

The Credentials Committee also reported that some 800 representatives of newspapers, magazines, radio and television, including a large contingent from the labor press, covered the convention as it acted on 209 resolutions.

In addition, 95 foreign trade unionists were visitors at the four-day convention.

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RESOLUTIONS COMMITTEE of the AFL-CIO convention, chaired by AFL-CIO Vice President John Lyons, standing, considered and made recommendations on 209 resolutions submitted to the convention, dividing them among subcommittees and special committees for examination and discussion before reporting to the delegates.

Emergency Anti-Recession Plan Begins with Jobs for Unemployed

New York — America's trade union movement proposed an emergency program to halt a snowballing recession and lay a foundation for economic growth and full employment.

The AFL-CIO convention's key economic policy resolution spelled out labor's alternatives to Reagan Administration policies that have pushed workers out of jobs, made housing virtually unobtainable and sapped the nation's industrial strength.

AS A FIRST step, requiring a minimum of legislation, the convention called for full funding of job-creating programs that can put the unemployed to work quickly. It urged Congress to:

- Revive the emergency local public works program that has helped the United States out of past recessions.
- Provide funds for new low-income and middle-income housing.
- Restore the public service jobs program.
- Reinstate nationwide extended unemployment compensation benefits for the long-term jobless.

In matters requiring new legislation, the convention urged:

- Creation of a government agency with power to target loans, loan guarantees, interest rate subsidies and tax benefits to stimulate economic growth, "with special consideration for high unemployment areas."
- Temporary restrictions on job-costing imports.
- Use of credit control authority to offset tight money policy and high interest rates, while channeling funds into productive, job-stimulating uses.

TO PROVIDE revenue for these programs, and to make the tax structure more equitable, the resolution called for:

- Limiting the individual tax cuts for 1982 to a maximum of $700 per taxpayer, approximately the amount scheduled for persons with incomes of $40,000.
- Trimming back the 10-percent investment tax credit to the original 7-percent level.
- Revoking the windfall tax exemption newly awarded to wealthy oil royalty holders.

The economic policy statement adopted by the convention protested that the Reagan economic program "requires more sacrifice from those who have little, to give to those who already have much."

IT INSISTED that economic progress and social justice go together, and termed full employment "a moral, social, political and economic imperative."

It urged targeted anti-inflation policies, public employment and training programs, curtailment of concentration of economic power in the hands of a few corporations, and international trade policies formulated with concern for the impact on American industry and jobs.

A companion resolution on monetary policy challenged the high interest, tight money approach of the Federal Reserve Board as aggravating instead of curtailing inflation.

The Fed's policies are "devastating the housing and auto industries," the convention said.

The resolution urged Congress to expand the membership of the Federal Reserve Board "to include representation of all sectors of the economy, including labor and agriculture."

More than a dozen convention delegates took part in the discussion of the economic resolutions. These were among the comments:

Steelworkers President Lloyd McBride complained that the United States has become "an island of free trade" in a world in which other countries use an assortment of restrictions to protect their own industries and national interests. He urged a more "realistic" U.S. trade policy.

CARPENTERS President William Konyha told the convention that the last two recessions had been preceded by "depressions in housing," caused largely by excessive interest rates. Unlike similar periods of sharp downturns in homebuilding, Konyha said, there are no emergency programs to provide below-market mortgage funds.

Service Employees President John J. Sweeney stressed the "huge loss of revenue because of the Reagan tax giveaways to big business and the rich." The funds are needed for public works, public housing and public jobs, he said.

Auto Workers President Douglas A. Fraser spoke of the impact of "high interest rates and all of the economic problems that flow from that" on the auto industry and UAW members.

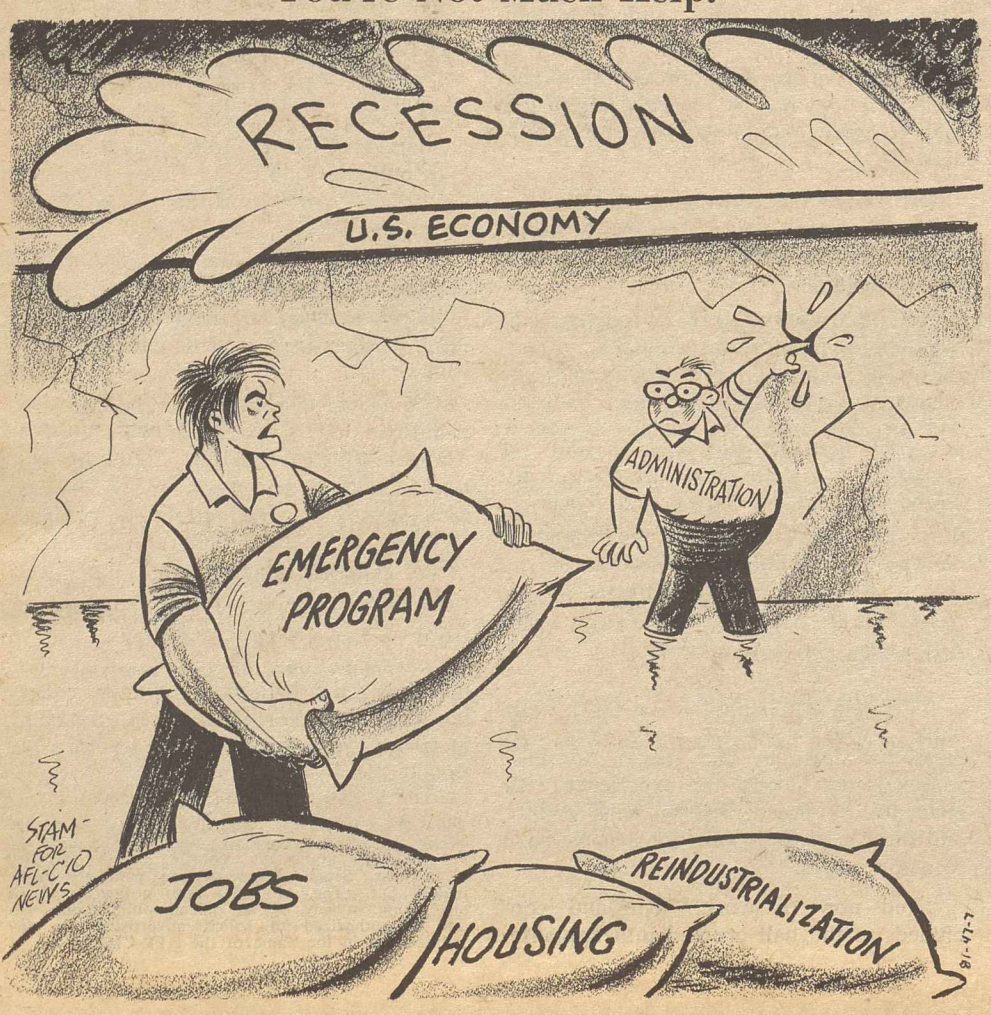
The United States is producing 4.5 million fewer cars and trucks than in 1978, he reported. Some 200,000 auto workers are now unemployed and this is "the 28th consecutive month that we've had more than 150,000 unemployed."

PLUMBERS & Pipefitters President Martin J. Ward spoke of the lag in public facilities needed to enable the economy to grow. Private industry requires efficient public facilities to function, and today workers who could be building them are unemployed, he said.

Iron Workers President John H. Lyons compared the Reagan economic program with the disastrous economic policies of the Thatcher government in Great Britain, which it closely resembles.

On the monetary policy resolution, Operating Engineers President J. C. Turner told the convention that the Federal Reserve Board "is throttling us and throttling our economy. It is the cause, not the cure of inflation."

'You're Not Much Help!'



National Holiday Urged On Dr. King's Birthday

New York—Martin Luther King's birthday should be a national holiday, and the AFL-CIO will support federal legislation to set aside Jan. 15 as a day to honor the memory of the slain civil rights leader.

A convention resolution calling for the establishment of the holiday praised Dr. King, a Nobel Peace Prize winner, as "the symbol of non-violent resistance" and of the civil rights movement in America.

Tax Law Tilt Points Nation To Disaster

New York—Tax changes imposed by the Reagan Administration threaten "irreparable damage" to the nation's economy, the AFL-CIO warned.

A convention resolution stressed labor's concern at the loss of revenue for needed public programs, as well as the basic injustice of a tax cut that was rigged against workers and "overloaded with tax avoidance opportunities for corporations and the wealthy."

It cited vast sums needed to create jobs, revitalize cities, provide services and deal with the effects of poverty that are being "siphoned off by the rich and the corporations."

The resolution urged early action by Congress to head off the disaster that the Reagan tax program threatens. It proposed as the key ingredients of such an alternative:

- Restructuring the individual income tax cuts scheduled for 1983 and 1984, and the future indexing of the tax brackets in a manner that reduces the revenue loss. Tax reductions should be limited to the moderate and middle-income households that were shortchanged by the bill Congress enacted.
- Repeal of the 10-percent investment tax credit and enactment of a business depreciation system that would use an accurate accounting of business costs.
- Enactment of a reindustrialization program which would authorize a tripartite board representing business, labor and government to use a combination of tax incentives, grants and loans to target available funds "to revitalize the nation's distressed areas and industrial base."

For the long run, the convention reaffirmed labor's support of a program keyed to closing loopholes and assuring that revenues are adequate to meet the nation's domestic and defense needs.

It called for changes that would:

- End the "double standard which taxes workers' wages and salaries at far higher rates than 'unearned income' on savings, investments and estates of the wealthy."
- Reinstate the corporate income tax as a major source of revenue and eliminate tax "incentives" that encourage corporate takeovers, plant closings and overseas investments.
- Key the tax structure to "fully reflect the principle of ability to pay."

Congress, States Pressed to Meet Needs of Cities

New York—Labor pressed Congress and the states not to allow Reagan Administration program cuts to push the nation's cities into a new, and perhaps irreversible, era of decline.

An AFL-CIO convention resolution urged:

- Funding of economic and community development programs by Congress "to maintain at least the levels of services that existed before 1981." It said the programs should "not be allowed to disappear or lose their national interest purpose through further block grant consolidations."
- Enactment of legislation to deal with dislocations and hardships of plant closing.
- Restoration of funds for mass transit construction and operation.
- Increased state commitment to urban areas, coupled with reforms to make state and local taxation more equitable.

"The cities of America need help and there's no place to turn," Wisconsin State AFL-CIO President John W. Schmitt said in discussion of the resolution. He noted that cuts in federal grants to states leave cities doubly worse off. Their own direct federal grants have been cut, and the states have less federal funds to pass on to cities.

'Vendetta' Condemned

Reagan Urged to Return Air Controllers to Jobs

New York—The AFL-CIO called on President Reagan to end his "demeaning vendetta" against the Air Traffic Controllers and return them to their jobs.

"Mass firings, fines and union decertification will not assure safe and reliable air travel for the American people," a convention resolution declared. "Nor will they save the taxpayers the high cost of training thousands of new controllers."

IN NOTING that the Administration shows no sign of relenting from its brutal treatment of PATCO members, the convention urged federation affiliates to continue assisting the embattled trade unionists. It said they still need help in manning picket lines, meeting family responsibilities and finding jobs.

The convention pledged that continuing aid will be provided by the federation's PATCO Family Assistance Fund, which already has rendered more than $625,000 to PATCO members beset by financial hardships.

On the opening day of the convention, President Motofumi Makieda of the General Council of Trade Unions of Japan (SOHYO) presented PATCO a $20,000 contribution. Half of the money was raised by SOHYO affiliates through voluntary contributions in shops and at plant gates; the remainder came from the Japanese air traffic controllers union, an affiliate of SOHYO.

PATCO WENT on strike Aug. 3 after the membership overwhelmingly rejected the final management offer for a new contract with the Federal Aviation Administration. Reagan later ordered the FAA to discharge the 12,000 strikers, and the federal government subsequently decertified the union.

PATCO President Robert Poli told delegates in comments from the convention floor that his membership is determined to continue its struggle despite government harassment and intimidation.

He noted that 70 PATCO members have been charged with committing a felony for striking and face sentencing to a year in federal prison if convicted. Some have had their autos impounded for picket line activity, and others face home mortgage foreclosure because of punitive action by the Dept. of Housing & Urban development.

POLI ALSO charged that PATCO strikers have been blacklisted—rejected by employers when seeking another job, or in the case of some, when attempting to return to the military service.

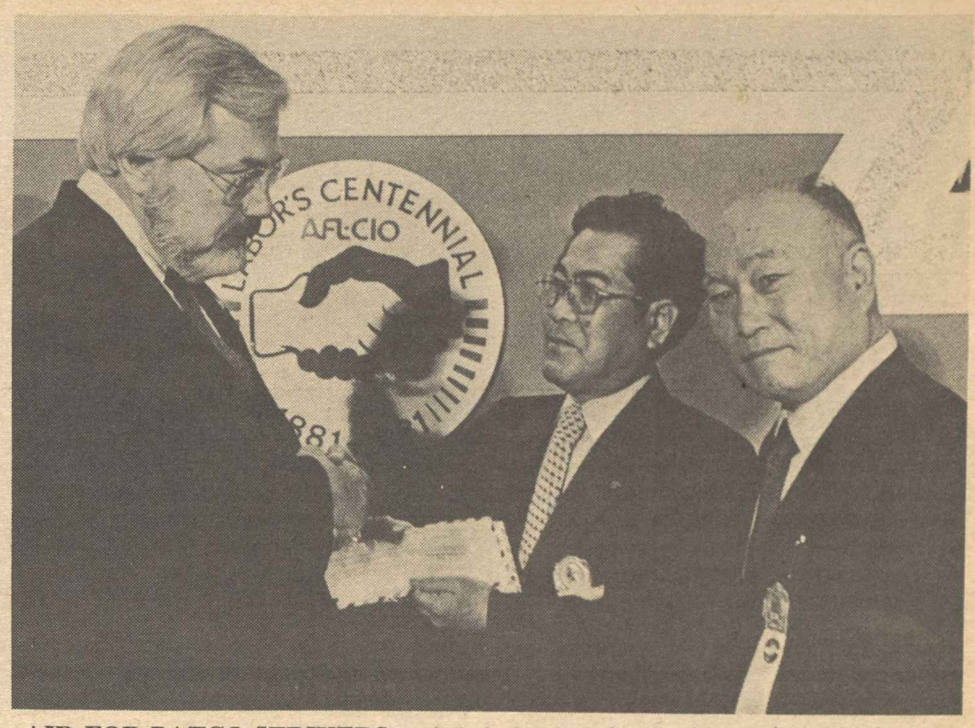
Noting that numerous other unions encountered similar struggles in the 1920s and '30s, Poli said: "Brothers and sisters, the 1920s and the 1930s are here now for PATCO."

John F. Henning, executive secretary-treasurer of the California AFL-CIO, calling for a strong reaffirmation of support for the controllers, said that "we can never surrender the PATCO strikers to our enemies in the White House."

HENNING POINTED out that during Reagan's campaign for the presidency, he pledged to resolve the intolerable conditions air traffic controllers encounter on their jobs. But after President Reagan was elected, "he betrayed the union," Henning charged.

Federation President Lane Kirkland read from Reagan's letter to PATCO in which he pledged: "I will take whatever steps are necessary to provide our air traffic controllers with the most modern equipment available and to adjust staff levels and workdays so that they are commensurate with achieving a maximum level of public safety."

Kirkland's response: "Well, you all know how he adjusted those staff levels."



AID FOR PATCO STRIKERS and their families in checks for $20,000 is presented to Air Traffic Controllers President Robert Poli by Motofumi Makieda, center, president of Japan's General Council of Trade Unions (SOHYO) and Takehiro Ebitani, SOHYO international affairs director. One check for $10,000 came from the Japanese air traffic controllers' union, the other from funds collected in shops and at plant gates by members of SOHYO-affiliated unions. Other contributions will be made to the PATCO fund, Makieda said.

Fight Pledged to Preserve Social Security Benefits

New York—The AFL-CIO will fight all attempts to slash social security protections, whether by the Reagan Administration or any other source.

That was the thrust of a convention resolution insisting that Congress keep its commitment to America's workers and retirees.

THE REAGAN proposals "would have a devastating impact on the program and those protected by it," the resolution said, and it cautioned that the threat isn't ended by the President's decision not to push for his entire package at this time.

Whatever the sponsorship, the AFL-CIO will oppose changes that would:

- Deny social security beneficiaries their full cost-of-living increases.
- Raise the retirement age or tamper with the early retirement provisions of the law.
- Lower the present formula for determining the benefits workers receive when they retire.
- Further reduce disability benefits.
- Reduce total family benefits.
- Increase Medicare premiums and deductibles.

SUCH CUTS aren't needed to deal with the funding problems of the social security system, the convention stressed. It said short-term problems can be met by interfund exchanges and a back-up system of general revenues.

The resolution affirmed opposition to taxation of social security benefits and urged restoration of the minimum benefit for both present and future retirees.

The AFL-CIO reiterated its call for the rejection of some general tax revenue financing to avoid scheduled increases in the payroll tax and to strengthen the system. It urged that social security trust funds be removed from the federal budget so that policy will not be set on the basis of transient budget considerations.

IT ALSO reaffirmed opposition to universal social security coverage for all public employees unless there are strong assurances that the workers involved will not be harmed by the move. But it said employees of hospitals and other non-profit institutions should have existing social security coverage protected by being made mandatory.

Finally, while the present battle is to resist cuts in the program, "the AFL-CIO will not lose sight of the continuing need to improve the law," the convention declared.

In discussing the resolution, Ladies' Garment Workers President Sol C. Chaikin stressed that it is not just the elderly who are threatened by the Reagan Administration's proposals to cut benefits.

Early retirement is an option especially needed by older workers who are left jobless, Chaikin noted. But the Administration plan would slash benefits for those entering the social security rolls at age 62.

Retention of SEC Rules On Corporate Data Urged

New York—Information that companies are required to furnish to the Securities & Exchange Commission as a matter of public record is needed to protect investors against fraud and abuses of corporate power, an AFL-CIO convention resolution noted.

It expressed opposition to "any changes in the regulations which would result in fewer companies reporting basic information to the SEC."

Limit on Health Plan Benefits Called Backward Approach

New York—The AFL-CIO convention took a strong stand against proposals to hold down health care costs by giving low-benefit plans a competitive tax advantage over high-benefit insurance coverage.

Instead, the federation urged "a more rational way to control health care costs," involving area negotiations over hospital charges and physician fees.

THE REAGAN Administration has backed the concept of putting a ceiling on tax-exempt employer payments for health insurance covering workers and their families. Payments above the specified limits would be taxable as income to workers. The argument is that this would make people more "cost conscious" and promote "competition" in the medical care marketplace, the resolution noted.

Any "savings" to employers would be at the expense of workers who would have to pay more out of their own pockets, the resolution stressed. The alternative would be to let health needs go unattended, risking more serious illness later on.

It urged, instead, that AFL-CIO affiliates "promote local area coalitions of purchasers of health care, including employers, unions and health and welfare trusts. Such coalitions could use their purchasing power to negotiate physician fees and hospital charges," the resolution suggested, "while at the same time protecting the wages and working conditions of hospital employees."

SERVICE EMPLOYEES Vice President Walter J. Butler, speaking in favor of the resolution, said the "competitive" plan would "go backward, instead of forward."

The answer to the problem of excessive health care costs isn't to "put more burdens on the workers," he stressed. "The real answer is national health insurance."

A separate resolution expressed concern at the trend toward abandonment of public hospitals, "the only place where everyone is guaranteed care regardless of their ability to pay."

It reaffirmed the AFL-CIO's "support for the survival of public general hospitals" and for "health care financing reforms" that would enable them to stay open.

Congress Urged to Reverse 'Punitive' Welfare Cutbacks

New York—The "punitive welfare legislation" enacted by Congress at the prodding of the Reagan Administration is forcing America's poor "even deeper into poverty" and will make it harder for them to get out, the AFL-CIO charged.

A convention resolution protested the abandonment of welfare reform goals and the further shifting of the burden of public assistance to the states.

IT URGED Congress to resist Administration pressure for still further cutbacks and called for reconsideration of harsh measures already enacted.

Needy families with children have already been forced to reduce their living standards, and any further cuts would be "unconscionable," the convention said.

The resolution called for repeal of changes that "discourage work by slashing payments to those whose jobs pay so little they must resort to welfare as a supplement to inadequate wages."

It questioned the move to require parents receiving public assistance to pay for their allowances in no-wage jobs.

And it criticized denial of public assistance to a needy family headed by a striker.

"Need should be the sole criterion for welfare eligibility," the convention said. "Workers and their families are taxed to pay the cost of welfare. When in need, they should have the same rights as all other citizens to obtain welfare assistance."

ANOTHER RESOLUTION urged restoration of social services funds to the states provided under Title XX of the Social Security Act.

The convention called on Congress "to re-examine these actions which will throw tens of thousands of poor children out of day care, deprive the homeless of needed foster care, cut off services to the elderly and generally make the lives of the poor more miserable."

Convention Backs Quest For Peace in Ireland

New York—The United States should lend its support to the goal of peace and justice in Ireland, the convention urged in a resolution reaffirming AFL-CIO support for the "aspirations of the Irish people for a united nation."

The resolution urged the convening of a special assembly "to draft a charter of human rights in all civil and religious matters which could become part of a basic solution that will recognize the democratic principle that Ireland belongs to the Irish."

Labor Vows Fight to Keep Pay Standard

New York—Prevailing wage laws are a still-needed safeguard for community labor standards, the AFL-CIO insisted.

The convention strongly reiterated labor's opposition to weakening either the Davis-Bacon Act, which has governed federally-funded construction for a half-century, or the comparable Service Contract Act.

"BUSINESSES should not be permitted to successfully compete for government contracts by exploiting workers," the resolution declared.

The convention made clear that it was opposed both to legislative and regulatory weakening of the two prevailing wage laws. The Labor Dept. has proposed regulatory changes in both laws that the AFL-CIO and the unions whose members are directly affected have strongly opposed.

The convention resolution urged Congress "to closely monitor" proposed changes "to insure that these revisions are not a back-door approach to changing the true intent of laws enacted by Congress."

ON THE SERVICE Contract Act, the AFL-CIO said a Labor Dept. proposal to change coverage of the law from contracts "substantially for services" to "principally for services" would cut in half the number of workers protected.

Changes the Administration is considering in Davis-Bacon Act regulations would affect the method of computing the prevailing wage and handicap enforcement.

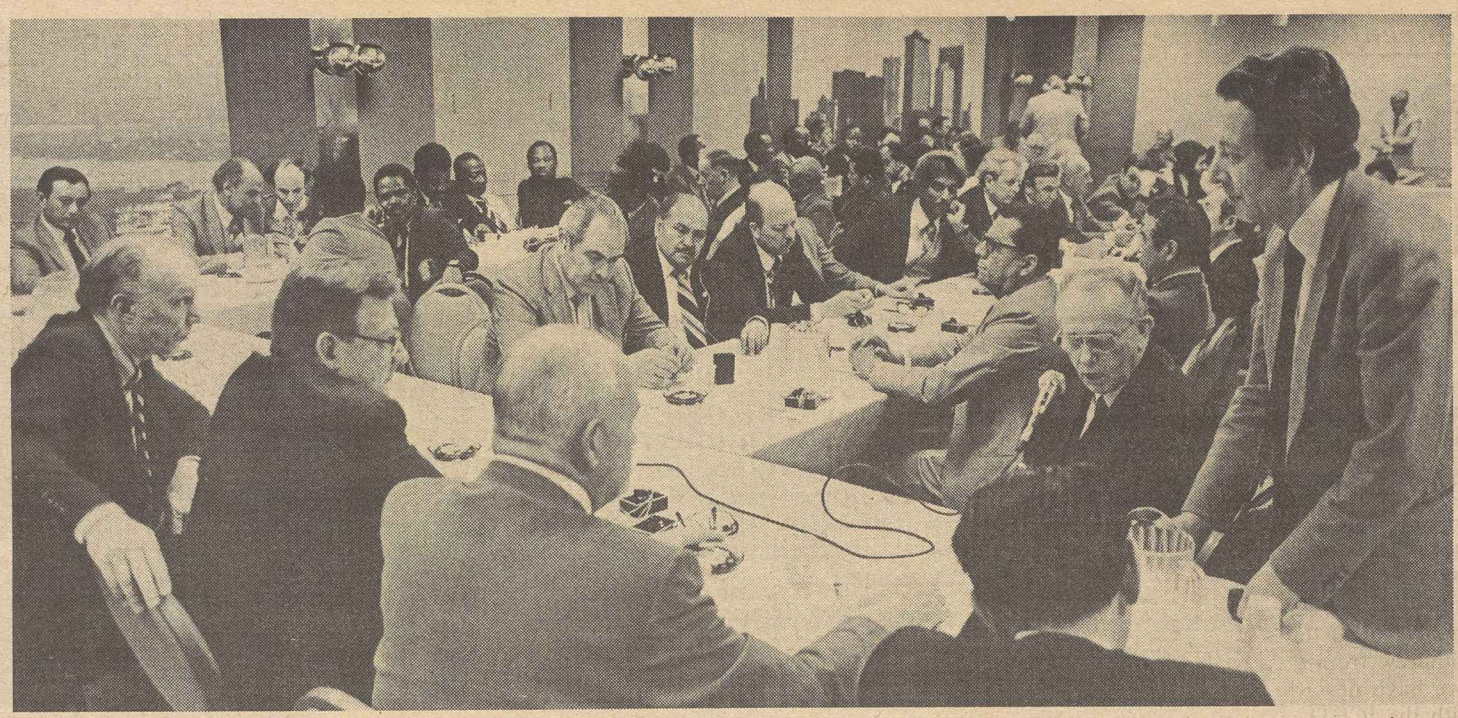
A Service Employees delegate, Eugene P. Moats, told the convention that the changes the Labor Dept. proposed in Service Contract Act regulations "would be singling out the lowest paid workers in our society."

BUILDING TRADES delegates spoke of the deterioration of construction standards that would result from weakening Davis-Bacon protections. And President Robert A. Georgine of the AFL-CIO Building & Construction Trades Dept. took the floor to thank the many unions that lobbied to keep Davis-Bacon coverage in a multi-billion dollar military construction bill. The Senate voted 55-42 for labor's position.

'Fraternal Solidarity' Pledged with Histadrut

New York—The AFL-CIO reaffirmed its "fraternal solidarity" with Histadrut, the trade union federation of Israel.

A convention resolution also expressed continued support for the American Trade Union Council for Histadrut.



INTERNATIONAL EXCHANGE of viewpoints on issues confronting workers is chaired by AFL-CIO President Lane Kirkland with Sec.-Treas. Thomas D. Donahue. Taking part were representatives of free labor movements from other nations attending the convention as guests. At the microphone is Heinz Oskar Vetter, president of the German Trade Union Federation (DGB), and standing is Erwin Kristoffersen, DGB international affairs director.

Human Rights Concerns Held Basic to U.S. Foreign Policy

New York—Human rights, based on the freedom of association essential to a free trade union movement, should be "the cornerstone of U.S. foreign policy," the AFL-CIO urged.

The human rights theme ran through a broad-ranging convention policy statement on Labor and the World.

IT LINKED the AFL-CIO's support for the free trade union movement in Poland, its backing for the developing black union movement in Africa and the El Salvador peasants' organization struggling to make land reform a reality.

The convention resolution attacked the denial of human rights by the leftist totalitarian regime in Nicaragua, where democratic unions have been branded as "counter-revolutionary."

And it attacked the rightist military dictatorship in Chile that has abolished trade union rights in its efforts "to crush legitimate worker organizations."

THE RESOLUTION made clear, as AFL-CIO President Lane Kirkland expressed it in his keynote speech to the convention, that the AFL-CIO does not make a distinction "between lice who are totalitarian and lice who are authoritarian" and insists on "freedom of association everywhere."

On the rocky path toward peace in the Middle East, the AFL-CIO reaffirmed its "unswerving commitment" to Israel's security and termed negotiations between Egypt and Israel, with U.S. support, "the best chance for peace."

It opposed participation of the Palestine Liberation Organization in Middle East negotiations until the PLO "recognizes Israel's existence, forswears terrorism and commits itself to negotiate in good faith."

If the United States is to assist in Saudi Arabia's security, the convention said, "let that country stop its holy war against Israel and its financing of terrorist activities of the PLO."

THE CONVENTION welcomed and endorsed the decision of the AFL-CIO Executive Council to reaffiliate with the International Confederation of Free Trade Unions, and welcomed signs of improvements in the conduct of the international Labor Organization's meetings. It urged AFL-CIO unions to cooperate in assuring effective representation of U.S. workers at ILO meetings.

The resolution expressed concern at attempts to have the United Nations Educational, Scientific & Cultural Organization (UNESCO) "embrace an authoritarian doctrine of news control." It backed an AFL-CIO Executive Council position that the United States should withdraw from UNESCO if that body embraces restrictions on press freedom.

The convention urged affiliates to contribute to relief organizations assisting refugees and called on the government to continue to work closely with other nations to assure that the world's refugees will find a home. The United States, as "the traditional refuge for the persecuted," must continue to make "the major effort," the convention said.

IT NOTED and welcomed the new papal encyclical on work in which Pope John Paul II terms unions "indispensable" to modern society as "advocates for social justice" and the rights of workers.

It reiterated the AFL-CIO's "steadfast support" for a strong national defense as necessary "for the survival of democratic institutions, including free trade unions."

But the resolution stressed also that "a strong national defense requires a strong economy," and it is the government's constitutional responsibility to "promote the general welfare" as well as "provide for the common defense."

A VAST INCREASE in military spending will not strengthen the nation unless it is linked to a carefully conceived defense strategy, the resolution contended. It cautioned that "defense problems cannot be solved by blindly throwing money at them."

'Slaughter of Innocents' Condemned in El Salvador

New York — The "frightful slaughter of innocents" must be ended in El Salvader, the AFL-CIO declared in a convention resolution strongly supporting effective land reform and terror-free elections.

"A victory of the totalitarian left or of the privileged few of the right would be a disaster," the resolution warned.

It condemned both "the flow of Soviet weapons to the guerrillas in El Salvador" and "use of U.S. weapons by right-wing forces as instruments of domestic repression."

Military aid to El Salvador's government should be ended, the AFL-CIO said, "unless there is substantial progress toward land reform, free elections, human rights guarantees and control of the death squads."

Two AFL-CIO advisers assisting the peasants' union to achieve land reform that was opposed by both right-wing landholders and the Communist-dominated guerrilla movement were gunned down in a San Salvador hotel last January, the resolution noted.

It urged the U.S. government to "demand that the Salvador armed forces put a stop to the activities of the right wing and its death squads." And it asked that land reform be expanded, not curtailed.

"If the opposition parties of the left agree to parliamentary elections, they should be offered a role in the arrangements for these elections, conditional also on a cease-fire to match the armed forces ending of the death squads' activity," the resolution concluded.

Support Pledged for Great American Flag

New York—The AFL-CIO convention urged union members to join in a fund-raising effort for the display of the Great American Flag, which is scheduled to fly from New York's Verrazano bridge next Fourth of July.

The huge, 21-story-high national banner weighing seven tons has become known as a union-made gift to the American people. Since its dedication on Flag Day in 1980, the flag has been displayed at various patriotic functions. Union volunteers led by the Iron Workers, spread the flag at Andrews Air Force Base near Washington to greet the American hostages returning from Iran.

Iron Workers President John H. Lyons showed the convention a film, "Salute to the Great American Flag," and urged delegates not to let the radical right identify their views with patriotism. "The flag is part and parcel of the free trade union movement in the United States," he stressed.

Fund Launched For Black Unions In South Africa

New York—The AFL-CIO launched a special fund to assist black unions in South Africa, and the convention urged affiliates to contribute to the project.

One aspect of the program is already under way, through a special unit set up within the AFL-CIO's African American Labor Center. The unit has compiled a list of AFL-CIO affiliates having collective bargaining agreements with companies that have subsidiaries in South Africa.

THE INFORMATION compiled has already been used "to provide black unions with information needed in their negotiations with these subsidiaries," the convention noted.

At its mid-winter meeting, the AFL-CIO Executive Council endorsed the concept of assistance to black unions in South Africa, and the pre-convention council meeting launched the fund with a $25,000 AFL-CIO contribution.

The convention statement noted that elements of the program have been discussed with interested groups within and outside South Africa, and development of the project will be undertaken in close coordination with the International Confederation of Free Trade Unions.

Curb Sought on Excesses of Waterfront Commission

New York—It's time for the legislatures of New York and New Jersey to take a fresh look at the functions of Waterfront Commission of New York Harbor, an AFL-CIO convention resolution suggested.

The resolution noted that the Waterfront Commission was set up 28 years ago as a temporary agency to correct abuses with respect to the hiring of longshoremen—a process now handled through a computerized union-employer referral system "in strict accordance with seniority."

Convention Welcomes Action

Reaffiliation with ICFTU Ends 12-Year Absence

By John R. Oravec

New York—The AFL-CIO will rejoin the International Confederation of Free Trade Unions next Jan. 1 after an absence of 12 years.

The federation's reaffiliation with the ICFTU will be "useful and productive," the convention said as it welcomed and supported the action of the Executive Council.

In its report to the convention, the council noted that although the AFL-CIO withdrew from the confederation in 1969, "we have nevertheless continued to work with the ICFTU in certain areas," including the International Labor Organization.

THE COUNCIL decision for reaffiliation came a few days before the convention opened, the culmination of meetings conducted by a council committee headed by AFL-CIO President Lane Kirkland and an ICFTU delegation.

In an address to the convention, ICFTU Gen. Sec. Otto Kersten said the ideals which brought about the confederation in 1949 "still hold us together: freedom, peace and social justice."

Kersten stressed "that to achieve and protect these ideals, we must stand together not only within one union, one trade, one country, but also within one world. That keeps the ICFTU together—despite all divergencies, be they of a political, an economic or a social nature."

KERSTEN POINTED out that workers and their unions throughout the world are facing common problems.

"The prevailing economic crisis with unemployment, inflation, stagnating or backward development, unscrupulous multinationals, is being used by some governments to try to scrape away at the strength of organized labor and to undermine its achievements," he declared. "They try, at the sole costs of the working people, to put their economies in order."



OTTO KERSTEN

Governments must realize that they need strong trade union movements that can participate responsibly in reshaping their economies, Kersten told the delegates.

ECONOMIC AND social progress in developing countries must be pursued in those parts of the world where the day-to-day existence of 800 million people is precarious, he stressed.

Kersten said the ICFTU has continually led the fight against a wide range of abuses: colonialism, racial discrimination, fascist regimes, military dictatorships, as well as "the repeated violations of human and trade union rights under Communist regimes."

Violations of human and trade rights, are both widespread in both the Eastern and Western Hemispheres, he noted.

"WE ARE confronted," Kersten said, "with an increasing number of attacks on the most fundamental rights: the denial of freedom of association, sometimes marked by assassinations, persecution of trade unionists or abusive internment in psychiatric hospitals—as practiced in the Soviet Union—intervention in trade union affairs, restriction of worker rights to form or join trade unions, to bargain, to strike."

He also cited the plight of American air traffic controllers fired by President Reagan for taking strike action. The ICFTU, in cooperation with the AFL-CIO, submitted a complaint to the ILO against the U.S. government for its denial of trade union rights to PATCO.

Kersten observed that trade unionists around the world can take heart with the achievements of the Solidarity movement in Poland.

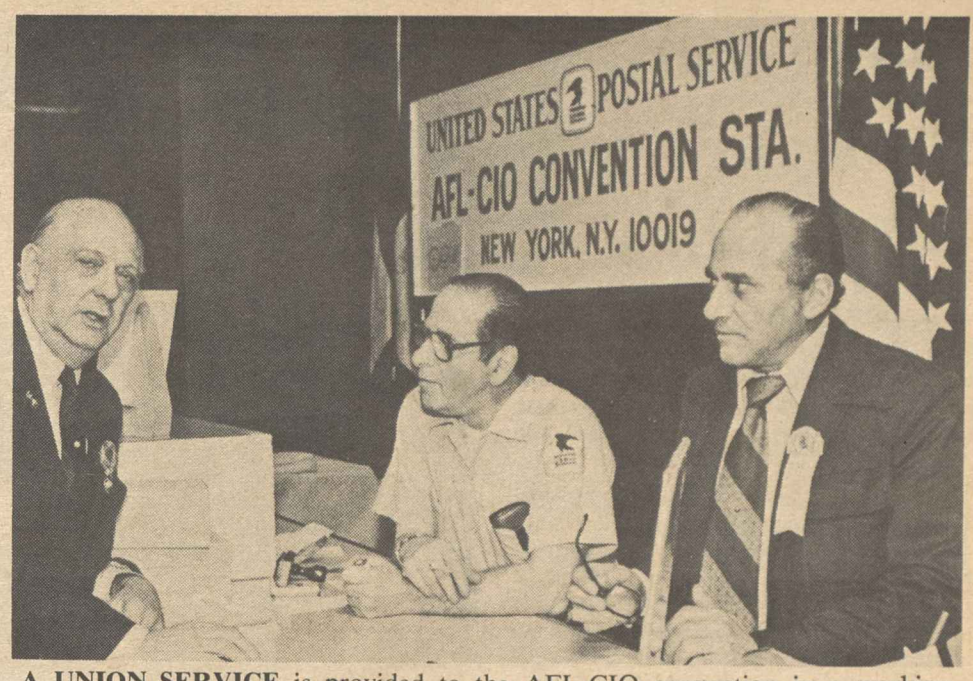
"FOR THE first time workers have successfully formed a free trade union organization under a Communist regime," he noted.

Citing the close ties that Solidarity has established with the AFL-CIO and the ICFTU, Kersten said "our Polish friends can count on the solidarity of the international free trade union movement."

The ICFTU comprises labor federations from more than 60 nations with a global membership in excess of 58 million.

NOW HEADQUARTERED in Brussels, the confederation was founded in 1949 in opposition to the Communist-dominated World Federation of Trade Unions. Before the 1955 merger, both the AFL and the CIO were charter members of the ICFTU.

When the AFL-CIO pulled out of the ICFTU in 1969, it expressed dissatisfaction with the confederation's declining role in providing aid to developing countries and its expanding contacts with government-controlled affiliates of Communist bloc countries.



A UNION SERVICE is provided to the AFL-CIO convention in a working post office set up by the U.S. Postal Service and staffed by Postal Workers members. APWU President Moe Biller, left, discusses the special convention cancellation used on all out-going mail. The cancellation was designed by AFL-CIO Reproduction & Mailings Director Edwin Schmidt. Copies of the souvenir cachet with the pictorial cancellation are available from Schmidt.

Federal Workers Backed On Comparable Pay Issue

New York—Federal workers are entitled to full pay comparability with the private sector, the AFL-CIO convention declared.

Since 1977, the resolution noted, federal government employees have been held to artificially low salary and wage increases—despite laws that were intended to assure pay comparability.

THE COMPARABILITY issue is especially important because federal workers can't negotiate pay and most fringe benefits, the resolution noted. It pledged the AFL-CIO's support to federal employee unions fighting the Reagan Administration's attempt to hold down their pay and benefits.

Another convention resolution reaffirmed the AFL-CIO's position on the contracting out of public services to private concerns.

It reiterated "the principle that public work which has traditionally been performed by public employees should continue to be performed by public employees, and that public work which has traditionally been performed by private employees should continue to be performed by private employees."

COMMENTING ON the resolution, Government Employees Vice President Daniel J. Kearney cited the case of a Veterans Administration hospital he said wants to use a private contractor who would hire employees presently doing the work for "about $2 an hour less" than they are now earning.

In another area, the convention renewed its support for legislation that would reduce the workweek of fire fighters employed by the federal government from 72 to 56 hours.

Such a bill was passed in the 95th Congress but vetoed by President Carter. The resolution noted that fire fighters not employed by the federal government work an average of 54 hours a week. It said federal fire fighters earn less than their municipal counterparts despite working longer hours.

THE CONVENTION also adopted a resolution urging amnesty for more than 100 postal workers who were fired in 1978 for participation in a work stoppage. It protested that the penalty imposed "exceeds the alleged infraction" and said reinstatement of the workers would show "that human rights and workers' rights are as important in this country as anywhere else in the world."

6-Point Program Proposed to End Housing Shortage

New York — A six-point program to overcome the nation's shortage of affordable housing was adopted by the AFL-CIO convention. It calls for:

- An increase in federally assisted housing.
- Greater use of "tandem plans" that provide below-market mortgage rates for low- and middle-income buyers and rental projects.
- Credit controls that would assure an adequate supply of mortgage funds at reasonable interest rates.
- Encouragement of union pension fund investments "in long-term, fixed-payment mortgages guaranteed by the government."
- Restrictions on conversion of rental housing to condominiums "in tight housing markets."
- Curbs on exports of logs that create shortages and push up domestic costs.

Charles H. Pillard, chairman of the AFL-CIO Housing Committee and president of the International Brotherhood of Electrical Workers, told the delegates that housing construction has slumped to "depression levels," interest rates make it impossible for most Americans to buy a home, and "rental vacancies are at a record low."

A byproduct, he said, is that while the national unemployment rate is 8 percent, 18 percent of the nation's construction workers are without jobs.

Workers involved in producing and transporting building materials have also been victims of the housing slump, Pillard noted.

Union-Busting Bid Seen in Anti-Picket Bill

New York—Delegates to the AFL-CIO convention made clear labor's determination to prevent a federal anti-racketeering law from being distorted by Congress into a bludgeon against workers striking for lawful goals.

They passed, with a loud shout of approval, a resolution attacking the attempt to amend the Hobbs Act so that a picket line scuffle—or even "threatening" words spoken in anger to a strikebreaker—could subject a union member to federal criminal penalties as high as 20 years in prison and a $250,000 fine.

THE AMENDMENTS are being pushed by the National Right to Work Committee, which has put together a fund-raising film about union "violence."

Delegates repeatedly applauded a speech from the convention floor by AFL-CIO Vice President J. C. Turner, which urged every union and union member to "get active because we've got to win this fight."

Earlier, delegates had interrupted Sen. Edward M. Kennedy (D-Mass.) with a standing ovation midway in his address to the convention. They rose to their feet applauding when Kennedy declared: "The criminal code should be used to fight crime; it should never be misused as a tool for union-busting."

THE CONVENTION resolution noted that the Hobbs Act's criminal sanctions are aimed at clearly defined racketeering and that the Supreme Court in 1973 ruled that it was not aimed at misconduct that takes place in the course of a lawful labor dispute.

Offenses committed in the course of a strike are subject to prosecution under state and local laws, and Congress didn't intend to put the federal government in the business of policing strikes, the court held.

Turner, who is president of the Operating Engineers, said the National Right to Work Committee is trying to capitalize on "the present anti-worker climate in Washington" to push through the Hobbs Act changes being sponsored by Sen Strom Thurmond (R-S.C.).

Its tactics include a made-for-television film about strike "violence" and a direct mail campaign aimed at Congress.

"THE ISSUE of picket-line conduct and the policing of any altercations or property damage has always been within the jurisdiction of state and local law enforcement authorities," Turner stressed, and the local laws are "diligently" enforced, "particularly on behalf of the employer."

Under the proposed Hobbs Act amendment, he noted, employers charged with violence against strikers would remain subject to local or state law, while workers under comparable circumstances would face federal felony charges.

Turner urged affiliates to use the materials prepared by the AFL-CIO Dept. of Legislation to alert their members to "the dangers of this vicious legislation" and make each member of Congress "aware of our opposition."

Aging Parley Undermined By Politics

New York—The AFL-CIO convention accused the Reagan Administration of political scheming in attempting to manipulate, confuse and intimidate delegates to the coming White House Conference on Aging.

Expressing concern that the machinations may have undermined any chance for an effective conference, the convention called on the President and Health & Human Services Sec. Richard S. Schweiker to take steps to restore confidence and integrity in the sessions by insuring that the democratic process will prevail.

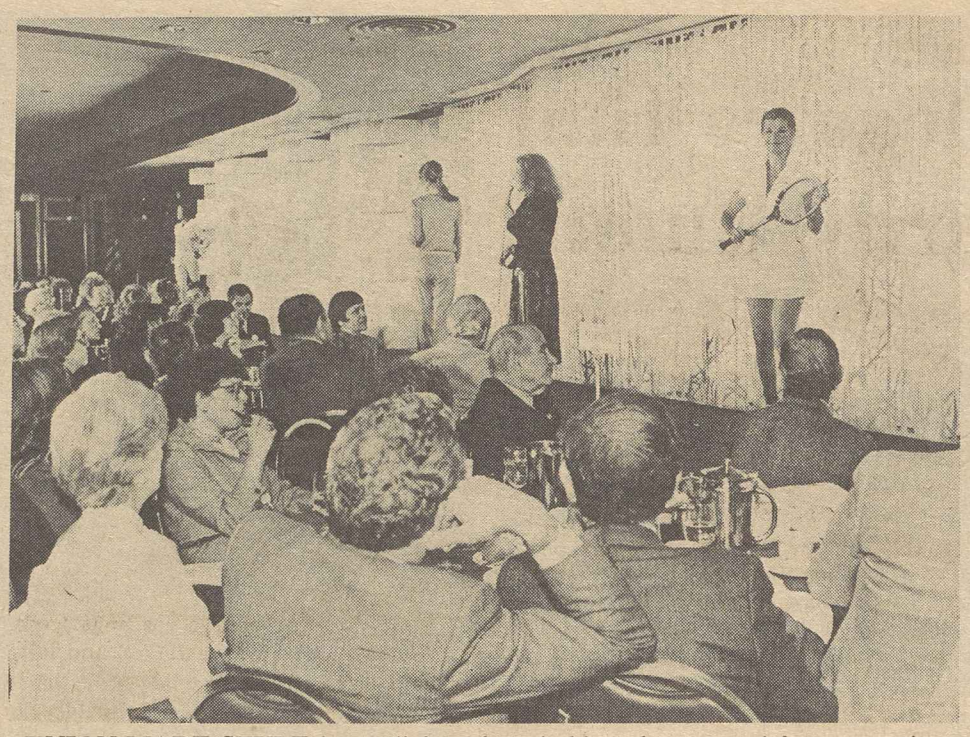
THE CONFERENCE is scheduled to be held in Washington Nov. 30-Dec. 3 with 2,200 delegates expected to attend.

The convention resolution noted that one of the first actions that Schweiker took after taking the HHS post was to pack the conference's advisory committee with Reagan supporters, who now outnumber representatives of senior citizens groups by better than a 2-to-1 margin.

Other actions designed to undermine the conference have included:

- Release of the delegate list by Schweiker to the Republican National Committee, which conducted a "survey" in an apparent effort to swing support to Administration positions on key issues.
- Replacement of the seasoned conference director just weeks before the start of the sessions with a political appointee inexperienced in the field of aging.
- Extraordinary delay in the release of papers to delegates, including reports and recommendations developed months ago.
- Limiting discussion by not separating large committees—consisting of several hundred delegates and observers—into subcommittees.

"THE AFL-CIO deplores these political machinations obviously designed to control conference decisions," the resolution declared. "This effort to manipulate the conference to advance the political goals of the Reagan Administration has so shaken the confidence of the public and delegates that an effective conference may now be all but impossible."



UNION-MADE STYLE is spotlighted in a fashion show staged for convention delegates and guests by the Ladies' Garment Workers. The show featured clothing manufactured by ILG members, all bearing the well-known ILG union label.

Mondale Ties Recession To Failed Reagan Policies

New York—The Reagan Administration is dividing America with its "radical economic program," former Vice President Walter F. Mondale told the AFL-CIO convention.

Rather than working with and cooperating with organized labor as past Republican Administrations have done the Reagan White House has declared war on labor's rights, Mondale charged. He cited as an example the Administration's attacks on the Davis-Bacon and Service Contract Acts that provide prevailing wage protections for workers.

Mondale said organized labor has had a positive role in the growth of America over the past 100 years, with the skills of workers and the efforts of their democratic unions contributing greatly to the nation's wealth.

Mondale charged that mounting unemployment and the deepening recession are the direct result of President Reagan's monetary and fiscal policies that pushed long-term interest rates to a record high in October. He cited particularly the impact of the rates on the plunging housing and auto markets.

MONDALE POINTED out that the 8.5 million unemployed in the United States last month was the highest number of jobless workers since the depression year of 1939. He noted that some economists are expecting the jobless rate to climb to 10 percent, and that even the President's own chief economic adviser has admitted the rate could hit 9 percent.

"We reject the notion that the answer to our problems is to throw millions of people out of work" as an approach to cutting waste, Mondale said.

"THE GREATEST waste occurring in America today is to be found in the lost product of 8.5 million decent Americans who want to work and who cannot find it," he said.

Mondale observed that the Administration has not yet learned that a President needs the help of all sectors. "Instead of aiming for a consensus, they are dividing the American people," he charged. "I have never seen worse relations between labor and its leaders and a President." A President doesn't have to agree with everything the union says, but whoever wants to lead this nation "must respect and involve and listen to the workers of America as expressed through their leadership."

HE SAID the strength of American democracy is reinforced by the values of trade unions. And he cited the founding of the Solidarity movement in Poland as evidence of the need and desire for free unions among the workers of all nations.

Mondale suggested, however, "that it is hypocrisy for national leaders to praise the free union movement in Poland and then turn around and ignore it and try to undermine it in the United States."

He charged that the Administration is working actively to undermine the basic worker protections and essential social programs that the American trade union movement has struggled to establish.

"While creating a safety net for the rich, they're opening a trapdoor for America's poor," he said, citing the Administration's strategies for cutting taxes for the wealthy while slashing the budgets of programs for the less fortunate.

AND AS THE federal deficit threatens to top $100 billion a year, "none of us takes any joy in this economic disaster" because people are hurting, Mondale observed. He noted that even the architect of the Reagan program, David Stockman, director of the Office of Management & Budget, has now admitted his lack of faith in that program.

"The only way to get America going is to let the average person have a job, good pay, a safe job, and a decent home and then America will move," Mondale declared.

Convention Pledges Defense Of Job Safety Enforcement

New York—The AFL-CIO will contest any attempt the Reagan Administration makes to repeal the Occupational Safety & Health Act by administrative action, the convention pledged.

"The labor movement brought OSHA into being, fought for effective implementation and protected it from attacks from without and within," the job safety resolution said. It pledged to "continue to challenge administrative actions in the courts and to stimulate assistance from members of Congress."

IT CALLED on members of all federation affiliates to watch closely for "any valid evidence of failure by OSHA compliance personnel to perform an adequate enforcement job."

The resolution charged that the Labor Dept. is attempting to repeal OSHA administratively "by crippling the compliance program, subverting the rights of workers under the Act, substituting labor-management voluntarism and consultation for vigorous enforcement," as well as failing to provide needed funds for worker training programs.

It also called on unions to expand efforts to negotiate health and safety provisions in contracts, step up safety and health training for members and help locals on cases handled by the Occupational Safety & Health Review Commission.

THE RESOLUTION stressed the need for comprehensive federal and state labeling regulations to alert workers who handle dangerous substances and to keep intact the full force of OSHA's standard of worker access to employer medical and exposure records.

In calling for adoption of the resolution, Vice President Joseph Odorcich of the Steelworkers said OSHA is as essential to the protection of American workers as the Secret Service is to President Reagan.

Noting that many millions of dollars are spent on the Secret Service for the President's personal safety, Odorcich said, "all we ask of this government is to make sure that the workers have this same kind of safety."

In related resolutions, the convention pressed for:

- Legislated OSHA protections for all public employees—federal, postal, and state and local government—now excluded from coverage.
- Re-establishing a maritime operating division in the Labor Dept. to reverse deteriorating safety protections in the shipbuilding industry.
- Stepped-up government activity and development of strong standards for grain elevators and mills against the hazards of grain dust explosions, which have killed 95 workers and seriously injured 240 others since 1977.
- Continuing studies into the potential health hazards facing operators of video display terminals and strong safety provisions in collective bargaining agreements.

Indexing Plan Endorsed for Wage Floor

New York—The federal minimum wage should be raised and permanently indexed to private sector earnings, the AFL-CIO proposed.

Past attempts to keep the Fair Labor Standards Act up to date through periodic step-ups in the minimum wage haven't worked, the resolution noted. Thus, "the real value" of the current $3.35 an hour minimum is "substantially less than the $1.40 minimum wage was worth in February 1967," when it was enacted.

THE CONVENTION credited Congress with an earnest effort to provide for several years in the future when it adopted 1977 amendments to the FLSA. But the increases were eroded by the double-digit inflation which "Congress could not and did not foresee."

The AFL-CIO proposed that the wage floor be adjusted each year at 60 percent of the average hourly earnings in the private sector.

Such a system, the convention said, would allow employers to anticipate their wage costs instead of facing "sporadic and unpredictable" increases in the minimum.

IN A RELATED area, the convention strongly criticized the decision of the Secretary of Labor to lift a 40-year-old prohibition against industrial homework in the knitted outerwear industry.

The ban against industrial homework in specified industries was imposed because it was impossible to enforce federal wage-hour standards otherwise, the resolution noted.

The convention welcomed a legal challenge to the exemption brought by the Ladies' Garment Workers and urged the Labor Dept. to increase its staff assigned to enforcement of the Fair Labor Standards Act.

Speaking on the resolution, ILGWU Vice President Evelyn Dubrow charged that the Secretary of Labor's actions would encourage and legalize "kitchen sweatshops" and a return to child labor.

UNSCRUPULOUS employers, taking advantage of immigrant labor, prefer to have work done at home, she said. "They don't have to pay taxes, they don't have to pay for light or utilities. They don't have to worry about an inspector coming by to see whether health and safety laws are being followed."

Another convention resolution called for "strict enforcement of our nation's labor laws" and urged full funding needed "for the effective protection of American workers."

Convention Cites Role Of Public Hospitals

New York—Public hospitals assure that no one is turned away from needed medical care because of inability to pay, and a wave of closings or private industry takeovers endangers this principle, the AFL-CIO warned.

A convention resolution reaffirmed support for public hospitals and urged health care financing reforms that would preserve their "vital role."



WALTER F. MONDALE

Inspiration to Workers Everywhere

Cheering Delegates Hail Polish Solidarity Union

By Susan Dunlop

New York—Cheers and prolonged applause rang through the AFL-CIO convention hall as delegates rose to their feet to assert the American labor movement's support of Solidarity, the Polish free trade union movement.

The AFL-CIO had planned to present Solidarity with the first George Meany International Human Rights Award. The Polish union's leader, Lech Walesa, had been scheduled to accept the award on behalf of Solidarity and to address the convention, but AFL-CIO President Lane Kirkland read the delegates a cable from Walesa regretting that he had to cancel his visit because of the situation in Poland.

WALESA SAID he hopes to come to the United States at a later date and the Meany award will be formally presented to him then.

The convention resolution applauded Solidarity as an inspiration to workers everywhere.

"For the first time in a country ruled by a Communist Party," it noted, "workers have won the right to a union independent of the government, a historic victory with far-reaching implications."

A film shown to the convention traced the growth of Solidarity, created in 1980 when workers at the Gdansk shipyard struck to protest low wages, poor working conditions and Poland's general economic chaos. Twenty-one demands presented by the workers to the Polish government included the right to establish a union free of government domination.

The short color film explained the birth and growth of Solidarity and traced Walesa's emergence as its leader.

THE GDANSK agreement ignited Polish opinion and support for the union which has become a vehicle for workers' demands for more democratic rights throughout Polish society.

The film, prepared as part of the Meany award presentation, pointed out that Kirkland had been invited by Walesa to attend Solidarity's historic first national congress in Gdansk in September.

Kirkland was refused a visa by Poland's Communist government, but his speech was distributed at the congress by Msgr. George G. Higgins of Catholic University, who attended as a fraternal delegate.

The AFL-CIO president's speech was read aloud at the Polish union congress and was greeted with cheers from the delegates, Msgr. Higgins reported.

THE RESOLUTION emphasized that Solidarity faces a number of difficulties including the failure of the Polish government to keep all promises made in the Gdansk agreements and its attempts to blame the union "for the failures of the economic system imposed on Poland by the Soviet Union."

The people of Poland face a winter of shortages of food and medical supplies, the resolution observed, warning that there is a continuing "Soviet campaign of intimidation and threats" against the union.

The AFL-CIO's Polish Workers Aid Fund has already raised some $250,000 to buy office equipment and other supplies for Solidarity, the convention noted. It said the AFL-CIO will work with other organizations to help get food and medical supplies to the Polish people and "urge the U.S. government to provide generous assistance to stave off the prospect of hunger this winter."

THE FEDERATION praised Solidarity as "an affirmation of the universal need of workers, in all social and economic systems, for their own unions."

"All humanity has a stake in its success," the resolution concluded.



CENTENNIAL SALUTE to the 100th anniversary of the founding of the AFL-CIO included dramatic readings from labor history, showing of the AFL-CIO film, "A Time of Challenge," and labor songs by "The Centennial Six" musical group, assembled especially for the AFL-CIO show. Principal singers shown from left are, Joe Uehlein, Joe Glazer and Bobbie McGee.

Kennedy Scores Democrats Who Vote Like Republicans

New York—Sen. Edward M. Kennedy aligned himself with labor's legislative goals, assailed "the most anti-union" Administration of modern times, and warned his own party that Democrats can't prosper by acting like Republicans.

"The last thing America needs in the 1980s is two Republican parties," Kennedy told the AFL-CIO convention.

THE MASSACHUSETTS senator, greeted with an ovation and repeatedly interrupted with applause, accused the Reagan Administration of summoning America "to selfishness" and replacing "a tradition of compassion with a standard of greed."

The recession, brought on "in record time," must not be allowed to feed on itself until it wrecks the economy, Kennedy insisted.

He urged, as has the AFL-CIO, that Congress revise the tax cut it enacted and "at the very least" repeal the $33 billion in new tax breaks the Administration handed to the major oil and gas producers. They do not need the money, but America needs the revenue," he said.

KENNEDY CITED his co-sponsorship of the Senate amendment that successfully restored Davis-Bacon Act coverage to the military construction bill, attacked "the plan to take jobs from those who already have them by providing a subminimum wage for those who are young."

He brought delegates to their feet with a strong attack on the current right-wing drive to amend the Hobbs Act, which punishes crimes such as extortion, to make picket line scuffles in the course of a legitimate strike subject to federal criminal penalties.

"The criminal code should be used to fight crime," Kennedy insisted. "It should never be misused as a tool for union-busting."

Kennedy cited the "hundreds of thousands who marched on Solidarity Day" as refutation of "those who say that labor does not speak for its members."

He challenged labor's critics to "go to union halls across the nation. They will hear the message that the rank-and-file reject the reactionary program of social security cuts for the elderly, Davis-Bacon cuts for construction workers, endless welfare for the rich—and a recession for the rest of America."

He spoke of the labor movement's heritage, the ideals that continue to make it, "at the dawn of its second century, the surest guardian of progress, and the most powerful force for change in America."

Kennedy brought chuckles from the delegates and many guests at the convention with a quip about the repeated pairing of his name and that of former Vice President Walter F. Mondale as "front-runners for the Democratic presidential nomination in 1984." Mondale had addressed the convention earlier, and Kennedy's comment was that "neither Fritz nor I likes to hear that kind of talk about being front-runners. I don't like to hear it about him, and he doesn't like to hear it about me."

HE CLOSED his address to the convention by invoking the memory of one of the last speeches President John F. Kennedy made before his assassination in 1963, to the AFL-CIO convention the last time it was held in New York City.

The President spoke then of his hopes for the 1980s, a decade that seemed far off. "Now the 1980s have come," Sen. Kennedy said, "and you and I are the keepers of that dream . . . the vision of a better future for our children and a better, stronger, greater America."



SEN. EDWARD M. KENNEDY

All Transportation Elements Called Essential to Nation

New York—Government, business and labor should work together "to ensure that all elements of the nation's transportaiton system remain viable," the AFL-CIO urged.

A section of the omnibus transportation resolution dealing with airline issues protested the failure to enforce, through regulations, provisions of the airline deregulation law that were intended to protect workers adversely affected.

ANOTHER BYPRODUCT of deregulation, the resolution noted, has been the threat to workers and unions from "runaway tactics of 'alter ego' airlines set up by established carriers in an attempt to avoid union contract obligations."

Specifically, it pointed to New York Air, "set up by Texas International through a holding company in order to employ non-union workers" at substandard wages.

The convention also protested a proposal to reduce the minimum number of flight attendants below levels now considered safe.

THE MARITIME section of the resolution termed it vital to restore "this crucial industry" to economic health, with U.S.-built ships flying the American flag and carrying a fair share of U.S. cargoes.

It urged legislation requiring that a share of U.S. coal exports be carried in American vessels and calling for bilateral negotiations with America's trading partners. It stressed the need for a modern merchant fleet as a naval auxiliary and urged repeal of a law that allows owners of vessels built abroad to receive operating subsidies.

The resolution affirmed support for the Jones Act, which limits U.S. coastal trade to American vessels, and laws that require that one-half of cargoes generated by the U.S. government be carried in U.S. ships.

The intercity bus section opposed Administration-backed proposals for deregulation, which it said would result in "a substantial curtailment of service to the public."

It warned that "less profitable routes serving smaller communities would be abandoned while bus companies would saturate the more profitable routes."

On railroads, the resolution scored the failure of private management to upgrade track and equipment and stressed the need for federal action.

It urged restoration of budget cuts for the Amtrak passenger service, said Conrail workers should be compensated for job losses from curtailment of service, and backed a proposal to develop 20 high-speed rail corridors linking major cities.

A SEPARATE resolution protested the Reagan Administration's "total reversal" of the federal government's past support of assistance to urban mass transportation.

It sought:

- Full funding of the Urban Mass Transportation Act and expanded operating assistance.
- Assurance that federal mass transit assistance will not interfere with collective bargaining procedures.
- Continued Labor Dept. administration of the labor protection provisions of the Mass Transit Act, and prevailing wage protection for workers in the construction or operation of transit facilities.
- No-fare transit to encourage ridership and thereby reduce energy consumption.
- A tripling of transit vehicle manufacturing capability so as "to respond to the expanded needs of urban travel as the energy crisis builds up."

Congress Urged To Ban Further Food Stamp Cuts

New York—"The nation's principal defense against hunger," the food stamp program, has been gravely weakened by cutbacks already made and is threatened by new budget attacks, the AFL-CIO warned.

A convention resolution urged Congress "to resist efforts to cause even more suffering" and reconsider early decisions to eliminate or reduce benefits for 2 million persons, prohibit aid to families of strikers regardless of need, and force a delay before workers who lose their jobs can qualify for food stamps. It also protested delay in the cost-of-living adjustment in benefits.

ARNOLD MAYER, legislative director of the Food & Commercial Workers, told the delegates that the Reagan Administration "is bringing hunger back to the United States" through its cuts in food stamps and child nutrition programs.

The cuts, he stressed, are coming at the same time that more people are in need because of Administration slashes in other social programs and higher unemployment.

"Families of murderers and rapists can get food stamps," Mayer noted. "But the families of strikers cannot."

Challenge of the Times

WE ARE HERE in strength and vigor because those who went before us and built this great instrument of progress did indeed adapt its role and structure to the needs and demands of their times.

The makeup of this body bears little resemblance to the Horse Collar Workers, the Architectural Cornice Makers, the Box Sawyers and Nailers and the Umbrella and Walking Stick Makers who gathered into the federation a hundred years ago. This body will bear as little resemblance to those who assemble under our banner a hundred years hence.

Throughout its history, labor has reflected all the trends and events—sometimes harmful, sometimes enriching—of its times, at home and abroad. Like our nation, we have been enriched by refugees from strife and tyranny in other lands. Like our nation, we have been compelled to grapple with the consequences of vast technological, social and economic changes that have taxed our wits and capacities.

LET ME NOTE some of the ways in which we have sought to address the challenge of the times in keeping with our historic mandate.

We have a permanent mandate to seek and preserve unity within the family of labor, and we rejoice in the re-affiliation of a great union, the United Automobile Workers. Our mission will not be completed until all of labor's flock is brought within the fold, to work and move together in solidarity.

We have an enduring mandate to bring all working people the message of trade unionism. There is no matter of more constant urgency than to organize the unorganized. We have initiated an ambitious campaign in the Southwest, with the Houston Cooperative Organizing Program, and we intend to see it through to a solid result.

We have an age-old mandate to educate and agitate and we have over these past months sought to do it justice.

WE CAN SURVIVE adverse public opinion. But we cannot long survive the erosion of support for programs and policies on the part of the membership.

Last spring, through a series of regional conferences extending over several weeks, the officers and department heads of the federation met with state and local trade union leaders for face-to-face discussions on any and all issues, no holds barred.

Some of the steps we have since taken, as well as some that will be proposed to this convention, are the product of those meetings. We found them of such value that we shall repeat them next year and in the future. I strongly commend such a practice to every constituent organization. From those sessions emerged the concept of Solidarity Day and the conviction that the spirit required for its success was there, waiting for an opportunity of expression.

ON THAT DAY, there gathered in Washington the greatest protest demonstration in our history. Over 400,000 members of the mainstream of the trade union movement and their allies spoke with one great voice against the course of their government and for the human values we represent.

As we go forth into our second century, solidarity remains the indispensable key to the future.

—From AFL-CIO President Lane Kirkland's convention keynote address.

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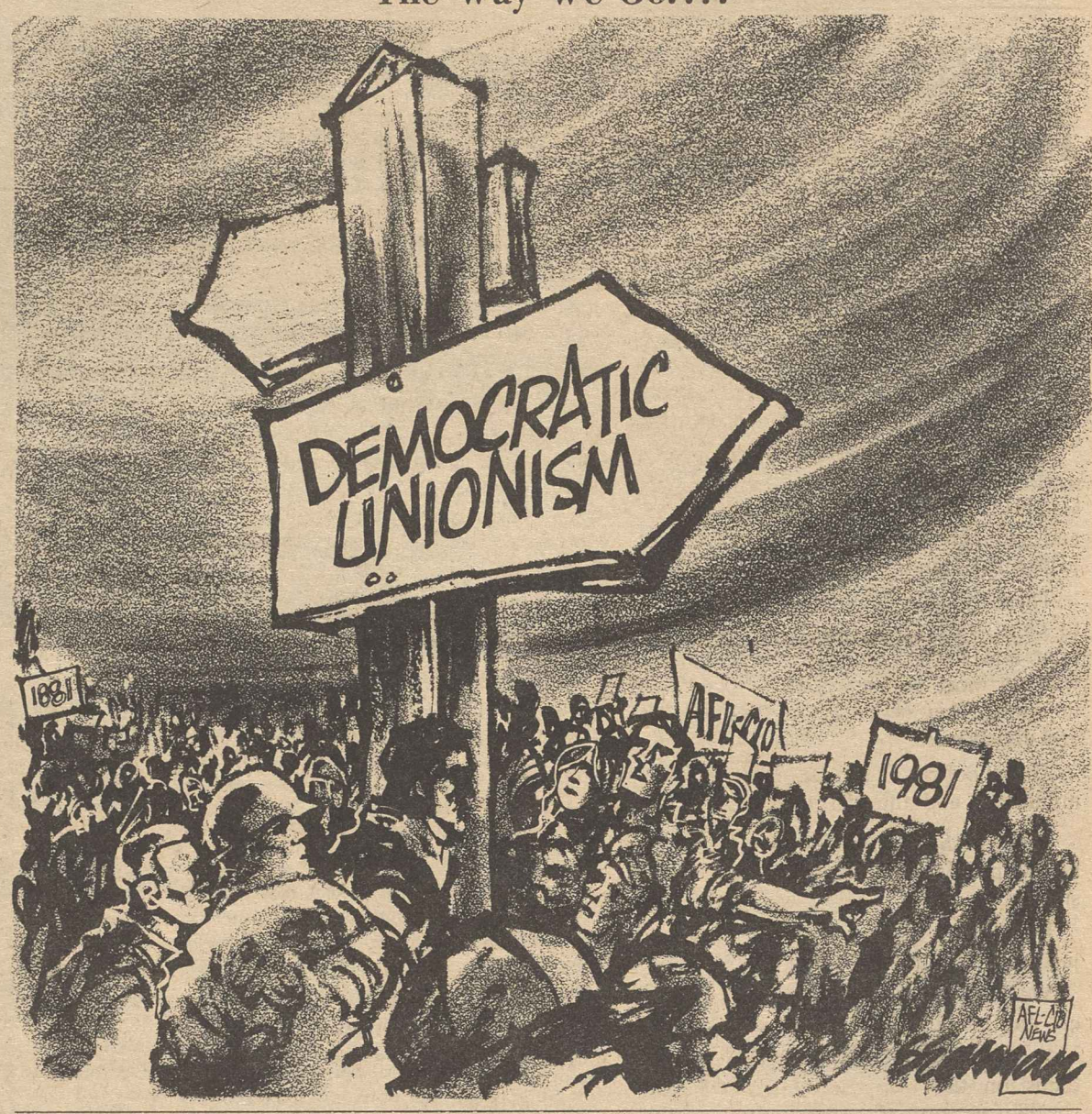
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'The Way We Go....'



Extremes of Poverty, Luxury

Inequality of Income Growing In Reversal of a Long Trend

By Gus Tyler

WHAT REP. HENRY S. Reuss has been saying about the way income is maldistributed in our country deserves much more attention than it is presently getting.

First, because Reuss, a Wisconsin Democrat, is chairman of the Joint Economic Committee of the House and Senate. Second, because he is pointing to a growing economic inequality in the United States that is a threat both to our material well-being and to our political ideals.

WE ARE BECOMING less and less of a nation moving toward prosperity for all and more and more of a country moving toward riches at the top at the expense of all. Reuss says that from 1929 to 1967, we were getting away from the extremes of poverty and luxury in America. He gives a few figures:

If you divide the families in America up into five categories—from the bottom fifth to the top fifth—the middle classes living in the second, third, and fourth fifths all held a larger portion of the national income in 1967 than in 1929.

The upward move was not dramatic, but it was adequate—at least, it pointed in the right direction. For instance, the second fifth moved up from getting 12.5 percent of the total income to 14.2 percent; the third and fourth fifths also eased upward. The top fifth came down a bit from getting 54.4 percent to 43.4 percent.

"THEN ALONG about 1967," Reuss told Congress, "something happened. The distribution of income went into reverse from its egalitarian trend of almost forty years, and headed back toward greater inequality."

The top began to pick up a greater portion; the bottom fifth—that used to get a measly 5 percent of the pie in 1947—got a measlier 3.8 percent in 1978.

Actually, the move toward the extremes is even worse than these figures reveal because the forces at work in the years 1967 to 1978 have accelerated in more recent years, although they are not yet reported in official statistics that run only up to 1978.

Reuss points out that in the years since 1978, while prices rose by 26 percent, weekly earnings rose by only 15 percent (putting such families deeper into a hole) while income from dividends rose 26 percent and from interest 48 percent (putting such families higher on the heap).

Sadly, this polarization of our people is not the trend in the rest of the industrial world. Of the seven leading democracies, the United States stands next to the bottom in the degree of income distribution, behind Japan (the most equal), the United Kingdom, Sweden, Canada, West Germany. Only France suffers from greater maldistribution of income, a fact that is likely to be changed radically under the new Mitterand Administration.

THE GROWING maldistribution of income in the United States is more than a rejection of the nation's historic ideal; maldistribution is an economic and political menace. A top-heavy economy, lacking a broad income base in the lower four-fifths of the nation, has toppled disastrously in the past and will do it again.

The emergence of economic extremes has always been accompanied by the emergence of political extremists—with all the discontent and disorders inherent in such social confrontations.

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Seeds of Organizing Ready To Be Sowed

The seeds of organization abound throughout this country. The desire to organize into labor unions exists today.

We have the intelligence, we have the desire, and we have the people to do the job that is necessary to bring organization to workers throughout this country.

We can overcome the loopholes of the National Labor Relations Board procedures. We can overcome the anti-union employers.

If we do that, we will achieve for the workers who are now a part of our organizations and for the workers who will become a part of our organizations a much better life.

—AFL-CIO Vice President William H. Wynn during convention discussion of a resolution on organizing, Nov. 16, 1981.

In Convention Resolution

Reagan Economic Program Hit As 'Class War' Against Poor

The following is from the convention resolution on economic policy:

THE HOLLOW PROMISES of the Reagan economic program are a smokescreen to conceal a massive transfer of wealth and income away from workers, away from low- and middle-income Americans, to the pockets of the wealthy and the profits of big corporations.

The blatant policies of the Reagan Administration are threatening the jobs and the living standards of America's working men and women and endangering the sense of fair play and social justice that binds and unifies America.

These Reagan Administration policies add up to class warfare against the disadvantaged, the poor and the working people of America. They will put more people out of work and aggravate inflation. They will add to inequity, unfairness and divisiveness.

These policies must be exposed, the damage minimized and the course reversed.

THE BASIC PRINCIPLES behind the economic policies supported by the AFL-CIO are simple:

We believe that economic progress and social justice go together.

We believe full employment is a moral, political and economic imperative.

We believe the attack against inflation must focus on the true causes of inflation, on the specific sectors of energy, food, health care, housing and high interest rates.

We believe the nation's economic growth and productivity must be raised by a comprehensive reindustrialization program including effective employment and training programs.

We believe that this nation's international trade and investment policies must give much more weight to U.S. interests.

LIKE A SNOWBALL rolling downhill, the economic recession is gaining momentum. Unemployment has increased by one million in the past three months and each day thousands more are being laid off.

But the Reagan Administration response to rising unemployment is to resurrect Herbert Hoover's economic policies of 50 years ago with additional budget cuts that will further weaken demand, reduce output, and destroy more jobs.

The resulting weakened economy would be even more costly and damaging to the nation in terms of lost production, lost jobs, lost skills, and lost income to producers and workers.

The tragedy of unemployment and the steadily worsening economic situation must be reversed.

THE AFL-CIO calls upon the Congress to pass the following anti-recession, job-creating programs:

A. Programs already on the books must be given sufficient funding to provide jobs rapidly and help lift the economy, specifically:

—Revive the emergency local public works program;

—Provide new low- and middle-income housing units;

—Restore public service jobs for workers not able to find jobs;

—Restore nationwide extended unemployment compensation benefits to protect the long-term unemployed.

B. Stimulate the economy with new legislation, specifically:

—Establish a Reconstruction Finance Corporation to revitalize the economy with loans, loan guarantees, interest rate subsidies and targeted tax benefits for retooling and growth of basic industries with special consideration for high unemployment areas;

—Place temporary restrictions on harmful imports to prevent added penetration of U.S. markets by foreign producers and further weakening of the nation's industrial base.

C. Use credit control authority to offset tight money policy and excessive interest rates and to channel funds into productive uses, including housing, and to stop unproductive credit flows that aggravate the economic situation with speculative excesses and merger activities.

D. Raise revenue for these programs and restore equity by:

—Limiting the individual income tax cuts for 1982 to $700 per taxpayer, roughly the amount scheduled for those with incomes of $40,000;

—Cutting the 10 percent investment tax credit back to its original 7 percent level to preclude subsidizing the same firms and investments as does the huge newly enacted depreciation system;

—Withdrawing oil windfall profits tax giveaways to wealthy oil royalty owners in the 1981 Reagan Tax Act.

Prison for Punches

Intimidating Workers, Unions Goal of Hobbs Act Amendment

BACKERS OF LEGISLATION to subject strikers to federal prosecution and heavy criminal penalties are more interested in intimidating workers and their unions than improved law enforcement, Howard Marlowe, associate legislative director for the AFL-CIO, declared in a network radio interview.

Workers who commit violent or unlawful acts on the picket line "should be prosecuted," and they are, Marlowe stressed. He said state and local law enforcement officials "are carrying out their responsibilities"—perhaps, even too vigorously at times—and "there is absolutely no reason to impose an extra layer of law enforcement" on them.

Questioned by reporters on the AFL-CIO public affairs program, Labor News Conference, Marlowe said most state and local officials are firmly opposed to "federal intervention" in picket line disputes. He said the National Right to Work Committee and other anti-union groups have exaggerated and distorted the facts, painting a picture of widespread picket line violence.

In reality, strike-related violence occurs so seldom that "the FBI does not even publish statistics in that category," Marlowe pointed out.

He said the proposal now before Congress, sponsored by Sen. Strom Thurmond (R-S.C.), would wipe out the 1973 Supreme Court ruling that incidents related to legitimate strike objectives do not fall within the purview of the federal extortion law—the Hobbs Act. Supporters of the Thurmond measure to amend the law to include workers "want to bust unions, and they see this as a stifling measure," Marlowe declared.

"WORKERS WHO know that they will be subjected, conceivably, to 20-year prison terms and $250,000 fines for not only assault, but for the threat of assault, would be very reluctant to exercise their right under the collective bargaining laws of this country to go out on strike," he said.

Reporters questioning Marlowe on Labor News Conference were Michael Posner of Reuters and Drew Von Bergen of United Press International. The interview is aired weekly over the Mutual Broadcasting System.



UNION LABEL AND SERVICE TRADES DEPT., AFL-CIO

Washington Window

By Press Associates, Inc.

THERE ARE many millions of people—the unemployed, the poor, the elderly, schoolchildren—who will suffer some deprivation and perhaps misery this winter and on into next year.

Their benefits are being cut and they have been told it is necessary to control "runaway" government spending.

Since it is unlikely they will read the lengthy Atlantic Monthly article on David Stockman, President Reagan's budget chief, they may not realize how they've been victimized.

The article, based on 18 interviews with Stockman going back to last January, is a devastating indictment of the Reagan Administration. It shows the President invested enormous power in an inexperienced 34-year-old man with changeable and immature notions about "how the world works."

Stockman was an early believer in supply-side economics, explaining: "The whole thing is premised on faith. On a belief about how the world works." He predicted that Reagan's program of a three-year tax cut and tight money would bring a boom "in '81, after April, of historic proportions."

WHEN THE COMPUTER showed the Reagan program would produce huge deficits, Stockman put in more optimistic data and got the results he wanted.

When the boom failed to arrive, Stockman shifted his production to later in the year, as did the President.

Stockman, who was described as contemptuous of government, went after social programs in search of $40 billion in budget cuts so Reagan could balance the budget, a goal now abandoned.

Stockman said he listed 20 social programs he wanted to abolish, like Job Corps, Head Start, women and children's feeding programs and manpower training. "And then huge bites that would have to be taken out of social security," he said. "I mean really fierce, blood-and-guts stuff—widows' benefits and orphans' benefits, things like that."

The turning point came in May, the article said, when Stockman went after social security. He got Reagan to propose drastic cuts in benefits for those retiring at age 62. Stockman thought this was a privilege for the elderly which they could be forced to give up. But he is so ignorant of the real world that he doesn't realize that when 64 percent of those eligible retire early, it says something—probably that people are plain worn out after working in factories and mills all their lives.

THE SENATE voted 96-0 in rejecting any action to cut benefits for early retirees. Stockman persisted. Hungry for social security cuts to help his budget, he said action to "save" social security would enable politicians to look like they were doing something for beneficiaries when actually they were doing something to them.

The storm of protest in Congress and across the nation caused a major problem for the President. Finally, in September, Reagan went on national TV and disowned the Stockman reform plan.

Nevertheless, Stockman is quoted in the magazine as saying: "The President was very interested (in the reform package) and he believed it was the right thing to do."

So that is one question that remains: Does the President want to cut back social security, as Stockman says, or does he support social security, as he tells the public?

The problem with the Reagan Administration is now one of credibility. Besides social security, there is economic policy. Now Stockman reveals that "the supply-side formula was the only way to get a tax policy that was really "trickle-down."

Power corrupts; absolute power corrupts absolutely, runs the old dictum. It appears David Stockman was given too much power and Reagan must be held responsible.



INTIMIDATING WORKERS from striking, not better law enforcement, is the aim of the National Right to Work Committee and other backers of Sen. Strom Thurmond's bill to subject strikers to the federal extortion law, Howard Marlowe, center, associate director of the AFL-CIO Dept. of Legislation, declared on Labor News Conference. He was questioned by Drew Von Bergen, left, of United Press International and Michael Posner of Reuters. The AFL-CIO produced public affairs program is aired weekly on Mutual radio.

Firm Commitment Pledged to Wipe Out Job Bias

New York — The AFL-CIO remains firmly committed to vigorous, positive measures to end discrimination in the workplace.

A convention resolution called for continued labor involvement in affirmative action plans to eliminate race and sex inequities on the job as well as strong enforcement of federal anti-discrimination orders.

The AFL-CIO opposes dismantling of non-discriminatory seniority systems that protect all union members and is deeply concerned over budget cuts that have slashed the Comprehensive Employment & Training Act and other training and jobs programs, particularly those directed toward youth, the convention said.

THE RESOLUTION called on affiliates to redouble efforts toward ratification of the Equal Rights Amendment.

Another resolution called on the Senate to adopt—and the President to sign—the Voting Rights Act extension bill passed by the House in October.

Despite enactment of the Civil Rights Act of 1964, the convention pointed out, minorities and women continue to experience discrimination in hiring and initial placement, job upgrading and promotion.

The federation urged affiliates to increase support of programs for full employment and expansion of the economy to create the "atmosphere" in which affirmative action has its greatest impact.

POSITIVE STEPS can be taken through labor's involvement in and support of affirmative action programs, particularly through the collective bargaining process, the convention said.

Non-discriminatory seniority systems that protect all members should be maintained, it continued, and these should be as broad as possible "so that all members will receive the full value and protection of their length of service with an employer."

The resolution called on the federal government for vigorous enforcement of the Executive Order banning discrimination by federal contractors. It said the Labor Dept.'s Office of Federal Contract Compliance should recognize "the necessity for union input" throughout the investigation of alleged violations, especially where changes in collective bargaining agreements are proposed.

LABOR'S CONCERN over cuts in CETA and other employment and training programs grows out of its concern for equal employment opportunity, the convention noted, and it cited the need, too, for employment programs for the handicapped.

The federation strongly opposes attempts to weaken the Equal Employment Opportunity Commission, either by reduced funding or restrictions that would slow down enforcement, the resolution stressed.

The AFL-CIO reaffirmed its support of the ERA, and of continued efforts to end race or sex discrimination in wages, fringe benefits, and access to jobs. It called for adoption of the concept of equal pay for work of comparable value in organizing and bargaining and for protection against sexual harassment.

The convention pledged that the AFL-CIO will strengthen its coalition with civil rights organizations and maintain its support for the activities of the A. Philip Randolph Institute, the Labor Council for Latin American Advancement, the Coalition of Labor Union Women, Frontlash and the National Council of Senior Citizens.

IT UNDERSCORED the AFL-CIO's opposition to the growth of "the violence-prone, anti-democratic KKK, the American Nazi Party and other front groups."

In addition, the resolution called on affiliates to encourage full participation in union activities by women trade unionists, as well as participation with CLUW in its efforts to increase the involvement of women in unions and political action.

The convention termed the Voting Rights Act of 1965 "one of the most meaningful, far-reaching and successful actions in the long history of the struggle for racial equality and justice in America."

It commended the House for passing legislation to extend the act and strengthen its enforcement provisions.

Expanded Efforts Urged to Fill Gap In Social Services

New York—The labor movement's local community services activities and fund-raising must expand to meet the impact of the Reagan budget cuts on social services, the AFL-CIO declared.

A convention resolution called on affiliates to urge local unions to organize community services committees. The network of community services liaison professionals should be used to train members of the committees, the AFL-CIO said.

THE FEDERATION'S Dept. of Community Services and CSA representatives of unions can provide guidance in the development of the programs, the resolution noted.

Union members, the AFL-CIO pointed out, should keep in mind the effect of the budget cuts when asking for contributions to local fund-raising drives. The federation urged affiliates to step up support "to agencies which respect the rights of employees to join unions, and which respect the provision of union-produced goods and services."

In its report to the convention the AFL-CIO Executive Council noted that the federation has letters of understanding with agencies such as United Way and the American Red Cross that call for such cooperation. The report said the terms of the agreement have not always been followed by some of the national agencies' local affiliates, and it encouraged full adherence to the principles set forth in the letters.

IN ITS resolution, the convention emphasized that labor's community services programs "evolve from labor's concern for the quality of life outside the plant gate or shop or office door." This is the basis for labor's interest in housing, education, health care, human rights and social services, the AFL-CIO said.

The council's report pointed out that the Reagan budget cuts will have a "negative impact" on local voluntary agencies that will be unlikely to make up losses in federal supports funds from private contributions.

Delegates Commend Work Of Amnesty International

New York—The AFL-CIO commended the work of Amnesty Internaitonal and other organizations that "seek an end to human rights violations against trade unionists and others."

Amnesty International's work to protect unionists and others from imprisonment, torture and execution has won the group the Nobel Prize for Peace and the United Nations human rights award, a convention resolution noted.



BENJAMIN HOOKS

Balanced Policy Asked on Growth, Pollution Curbs

New York—The AFL-CIO pledged to fight any attempts by the Reagan Administration and conservatives in Congress to gut environmental safeguards in the name of economic progress.

Reaffirming the federation's long-held support for programs to maintain a balance between pollution abatement and economic growth, the convention stressed that "the Administration has no mandate to turn back the clock and give industry free rein to pollute and despoil" the environment.

THE CONVENTION warned that attacks on the Clean Air Act would greatly weaken its public health protections. The 1977 amendments to the law are now before Congress for renewal or amendment.

The resolution insisted that damage caused by acid rain be dealt with by regulation or amendment to the Clean Air Act.

In emphasizing the need for a balanced environmental policy, delegates condemned the two-year phaseout under the Reagan budget of the Environmental Protection Agency's water treatment grants.

IN OTHER AREAS relating to environmental concerns, the convention called for:

- Expanding resource recovery programs as an alternative to restricting use of non-returnable beverage containers.
- Strong enforcement and adequate staffing for administration of the Surface Mining & Reclamation Act.
- Effective worker protections and provisions against environmental blackmail by employers.
- National land-use policies that consider the impact on jobs and economic growth.

Adversity Seen Reinforcing Labor, Civil Rights Alliance

New York—Adversity, in the shape of the Reagan Administration, has cemented the alliance of the trade union and civil rights movements, NAACP Executive Director Benjamin L. Hooks declared.

The NAACP brought thousands of civil rights activists to Washington to march with labor on Solidarity Day, and solidarity was the eloquent message Hooks brought to the AFL-CIO convention.

"WE STAND ready to help you. We stand ready to march with you," he told the delegates.

"We stand ready to demonstrate with you, to strike with you. We stand ready to vote with you."

Hooks told the convention that "the labor movement is now in the forefront of leadership in America. The torch has been thrown to you," he said.

With leadership, he urged, labor has "an obligation to forthrightly perform . . . in civil rights, human rights, rights for women in the workplace."

LABOR IS America, Hooks said. "If you fail, to whom shall we go?"

For the first time since Franklin D. Roosevelt came to office, Hooks said, "there's a growing feeling across this nation that the black community neither has a President, a Congress nor a Supreme Court concerned about what we are trying to do."

He urged the delegates to "join hands and hearts" and with its coalition allies "march to the polls" and elect a Congress "responsive to the needs of the people."

If labor and the civil rights movement, the women's movement and the Hispanic movement got together, Hooks suggested, "we would discover we are the majority."

THERE HAS been "a breakdown of leadership" in the national government, Hooks said. When members of Congress passed a tax cut skewed to reward the rich and the big corporations, they were "voting for something that they knew nothing about. . . . They just voted for it under the magic name of Reagan."

It's time to shed complacency, Hooks said. "The Reagan-Stockman Follies . . . will be with us a long time. We better get on our fighting shoes, our marching shoes," he urged.

The economics of the Coolidge, Harding and Hoover era "didn't work then and won't work now," Hooks said. "It's time to stand up to President Reagan and tell him, 'We ain't going to let nobody turn us around,' " he declared.

"WE'VE GOT to keep this nation moving forward."

And then, he promised, as the labor movement passes its centennial, "we can join together and make this nation what it never has been, and yet must be, that land where every man and woman is free."

Consumer Prices Moderate As Housing Costs Flatten Out

The nation's consumer price index, which reflects price movements at the retail level, rose another four-tenths of 1 percent in October, the Bureau of Labor Statistics reported.

The increase, which followed a rise of 1.2 percent in September, was the least for any month since the summer of 1980, BLS said. The lower rate of price escalation occurred as housing costs flattened out after 15 months of rising steadily, and mortgage interest rates began to slide.

THE CPI NOW has risen at an annual rate of 9.6 percent for the first 10 months of this year.

The October increase was the best showing since the rise of one-tenth of 1 percent in July 1980 during last year's recession.

Housing costs overall, which had risen by more than 1 percent a month for the past five months, showed no change at all for October. The average price of a house fell seven-tenths of 1 percent last month, a sharp turnaround from previous months. Financing costs fell one-tenth of 1 percent.

Meanwhile, the downward trend in the prime lending rate spread among major banks, with Chase Manhattan, the nation's third largest bank, lowering its rate to 15.75 from 16.5 percent.

THE LOWEST equivalent prime rate was in mid-November 1980 when the prime varied from 15.5 to 16.25. This year's high for the prime was 20.5 percent, a level that prevailed throughout July, August, and early September.

Food and beverage prices also moderated last month, rising only two-tenths of 1 percent, the lowest rate of increase since June. Clothing costs increased just two-tenths of 1 percent also.

On the other hand, transportation costs rose 1.2 percent, helped by an identical increase in gasoline prices. Used car prices shot up 3.1 percent, the fifth straight month of substantial increases in this category.

Administration Retreat Scored

Congress Asked to Meet Commitment to Schools

New York—The AFL-CIO underlined the labor movement's long-standing commitment to public schools and denounced the Administration for "retreating" from the government's partnership role in education programs that help all citizens.

A convention resolution called on Congress to provide full funding for education programs for public schools, vocational and higher education and particularly for assistance to disadvantaged students and those with special needs, such as bilingual instruction.

THESE PROGRAMS, the AFL-CIO said, should be categorical and fully funded, not diluted into block grants to states and cities. Equal access to education programs is critical to the goal of maintaining a productive workforce and eliminating inequities, the resolution stressed.

The AFL-CIO repeated its objections to tuition tax credit proposals and education vouchers, branding them "detrimental to the advancement of the public schools."

Affiliates were asked to encourage schools to teach about the labor movement by providing films, speakers and other aids to help teachers introduce labor studies into school curricula.

THE PROBLEMS of youth unemployment underscore the need for vocational education that is realistically funded, including a federal partnership, the resolution stressed. It urged targeted programs for the inner cities, adequate teacher training and resources, money for new equipment to keep up with technological changes, and an examination of the question of sex equity for both men and women.

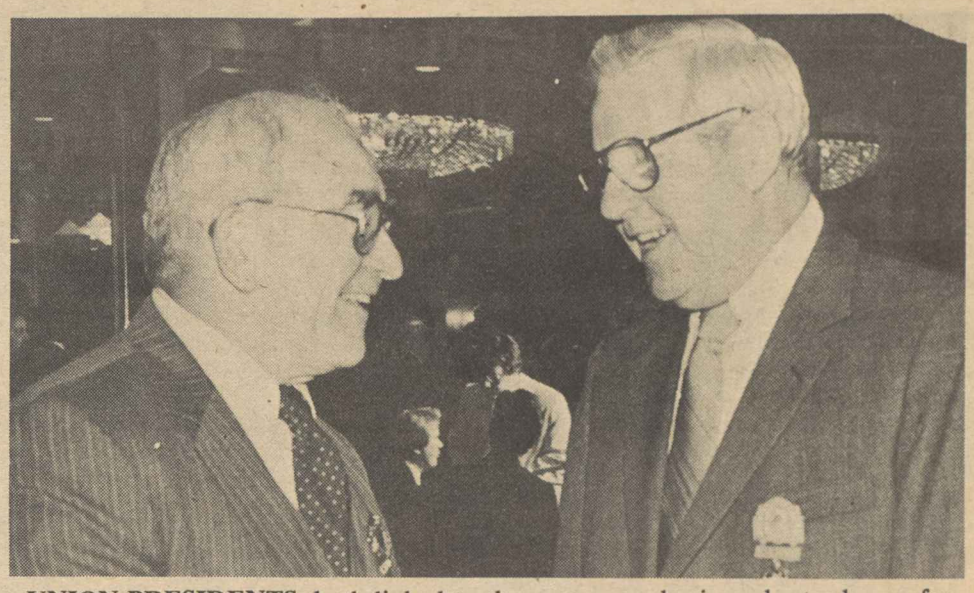
The Executive Council's report to the convention pointed out that federal vocational education programs that provide essential job skills to some three million students have already been cut by about $49 million, and the Administration is asking for another 30-percent reduction in that budget.

On higher education, the convention resolution stressed that tuition should not be so high that workers and their families are shut out. The AFL-CIO called on Congress to fully fund student aid programs and reject Administration proposals for even more cuts in basic opportunity grants along with excessive restrictions and limitations on guaranteed student loans.

THE FEDERATION said it supports and encourages the development of worker-oriented liberal arts degree programs by community colleges and universities. It urged union members to begin or continue their own higher education in programs developed by union faculties.

Affiliates were urged to step up efforts to provide education programs for their members. Programs for workers' education should receive public support consistent with the funding for programs staged for farmers and business, the resolution said.

Tuition assistance plans and other educational benefits for workers have been negotiated in a number of collective bargaining agreements, the convention pointed out. In addition, through the establishment of joint trust funds, affiliates have developed a variety of education services for members and their families. Among these are remedial, outreach and pre-retirement training, occupational training and higher education scholarships.



UNION PRESIDENTS, both linked to the newspaper business by trade, confer during the AFL-CIO convention in New York. At left is Ed Asner, recently elected president of the Screen Actors Guild, shown with Charles A. Perlik, Jr., president of the Newspaper Guild. In his television role of "Lou Grant," Asner plays the city editor of a major metropolitan daily.

Solidarity Day Rally Cited As Clear Signal to Reagan

New York—House Speaker Thomas P. O'Neill, Jr., told the AFL-CIO convention that labor's massive Solidarity Day turnout marked a "turning point" in public reaction to the Reagan Administration.

Doubts about Reaganomics are spreading across the nation, O'Neill said, and the clearest signal was the massive turnout of workers protesting the President's program "of encouraging the wealthy at the expense of the wage earners, the elderly and the poor."

O'NEILL'S RECITAL of the litany of backward steps taken by the Administration was punctuated by applause from the delegates.

He assailed the Administration for weakening occupational safety and health protections and dismantling labor-supported programs through regulatory changes.

He cited the President's harsh and "wrong" treatment of the air traffic controllers, his attacks on social security protections, the unjust tax program and recession-breeding economics.

O'NEILL TOLD the delegates that Democrats in Congress welcome the AFL-CIO's help in shaping alternatives to the Reagan program and in "keeping the House Democratic in 1982 and regaining Democratic control of the Senate."

In response, at the conclusion of the speech, AFL-CIO President Lane Kirkland praised O'Neill's "valiant efforts" for progressive programs.

Kirkland then asked O'Neill, as the leader of House Democrats, to remind his colleagues "that they ought to stand and fight for the interests and concerns of the plain working people of this country."

THE DEMOCRATIC Party, he said "has never and will never prosper" if it abandons America's workers.

New York state's two most prominent Democratic office holders — Sen. Daniel Patrick Moynihan and Gov. Hugh Carey —spoke at the convention's opening session.

Moynihan's theme was the labor movement's century-old "compact" with American society to "work within the rules" to improve conditions for the workers they represent.

CAREY WARNED that the damage to the nation caused by President Reagan's first round of budget slashes would be compounded if Congress were to grant his request for still further cutbacks.

"If we are to have a real program of economic renewal," he urged, "it must face the reality of those forgotten millions who exist outside the economic mainstream without education, job experience or hope."

Energy Independence Goal Focus of AFL-CIO's Policy

New York—The United States must take all feasible roads to energy independence, the AFL-CIO urged, including both conservation and the development of alternative energy sources.

A convention resolution said coal and nuclear power must be part of the nation's energy mix, with awareness of environmental concerns.

IT EXPRESSED concern at the Reagan Administration's curtailment of government research and development programs and at the failure to implement the synthetic fuels program set up by Congress last year.

The resolution noted that the United States and its chief allies remain "dangerously dependent" on oil imports, even though conservation programs have helped reduce the level of imports.

It reaffirmed the AFL-CIO position that the U.S. government should become "the sole importer of oil" so as to hold down prices and in a period of import disruptions "make sure that oil reached consumers rather than being stored while prices soar."

THE CONVENTION expressed concern at budget cuts that have reduced federally-aided conservation measures.

It urged more support for mass transit, federal temperature and lighting standards, conversion of boilers to coal, and expanded low-interest loans for solar energy equipment, among other programs.

The convention urged a commitment to "advancing solar, gasohol and geothermal technology."

INCREASED coal use should be accompanied by greater use of scrubbers and other measures to reduce pollution, the resolution urged. It asked that development of nuclear power "be accompanied by expanded research into technology to further reduce safety hazards, so that nuclear power will enjoy the public support it must have."

The resolution also advocated "development of technology which turns nuclear waste into reusable fuel."

The convention took a strong stand against decontrol of natural gas prices, which under present law would not be fully decontrolled until 1985.

IT SAID current prices "are more than adequate to stimulate exploration for new gas," and "conservation policy should not be based on making energy so expensive that low- and moderate-income families cannot adequately heat their homes."

The convention also expressed concern that the oil companies have accelerated their acquisition of other energy companies and non-energy concerns. Congress should "break up the oil monopolies," delegates stressed.

IN A SEPARATE resolution, the convention expressed concern at the lack of enforcement of legislation to assure that U.S. standards aren't hurt by the use of foreign workers on offshore oil drilling in the development of the outer continental shelf.

Health Risk Seen From Weakening Of Additive Law

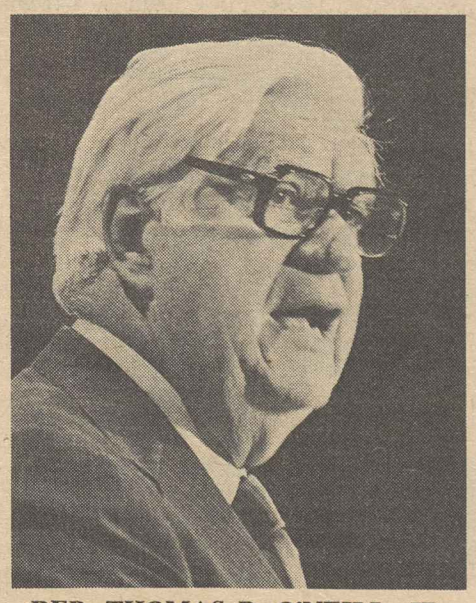
New York—The AFL-CIO voiced strong oppostion to so-called "food safety amendments" before both chambers of Congress that would allow processors to put unsafe additives in foodstuffs.

Under existing law, the use of any food additive intended for human consumption that has been found to cause cancer in animals is prohibited.

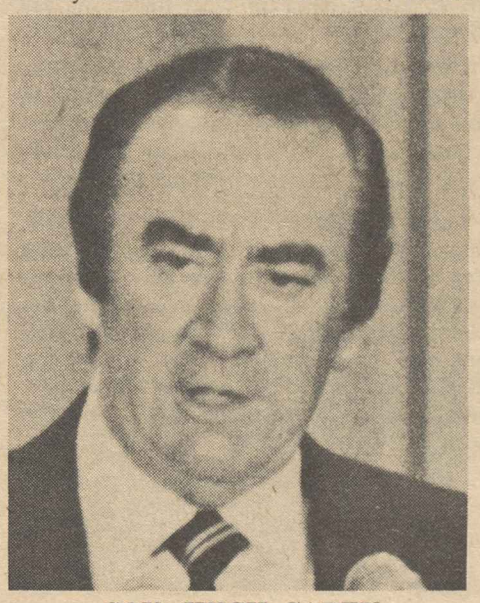
The proposed amendments would not only lift that ban, the convention resolution warned, but also would hamstring federal regulatory agencies for several years while they build evidence against the hazardous additive to get it off the market.

IF ADOPTED, the Food & Drug Administration and the Dept. of Agriculture could no longer ban a substance simply because it causes cancer, the convention noted. The agencies would instead have to determine if the substance posed a "significant risk" and then weigh the costs of the ban against health benefits.

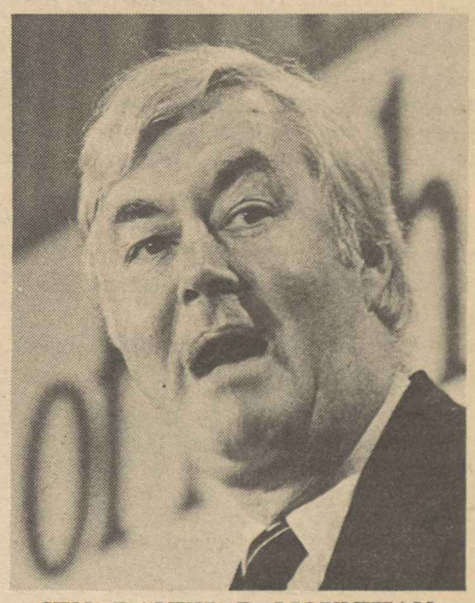
Beyond the serious health risks, the amendments would undermine consumer confidence in the food industry, which could affect the jobs of more than a million workers.



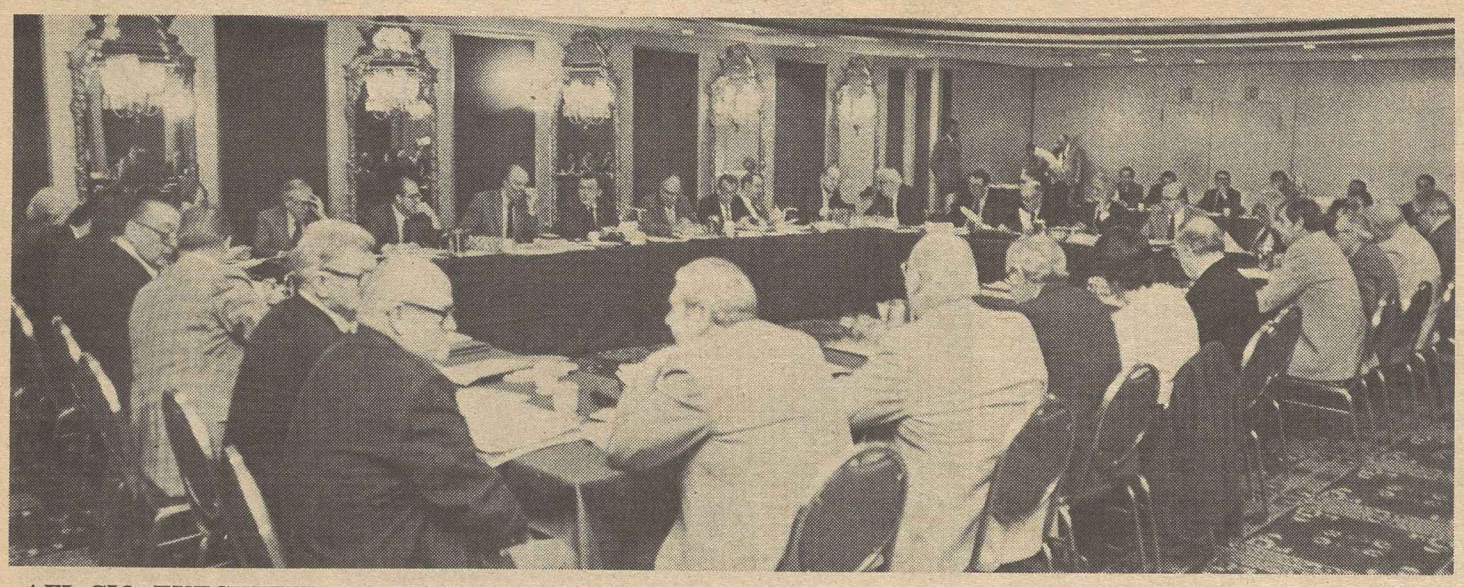
REP. THOMAS P. O'NEILL, JR.



GOV. HUGH CAREY



SEN. DANIEL P. MOYNIHAN



AFL-CIO EXECUTIVE COUNCIL is shown at session before the opening of the convention at which proposed constitutional changes and a number of resolutions were discussed for submission to the convention. The council also held a post-convention meeting with the five newly-elected vice presidents taking part.

Houston Campaign Hailed as Model For Coordinated Organizing Effort

New York — Cooperative organizing campaigns involving AFL-CIO affiliates, local central bodies and the federation's own field staff received a strong and enthusiastic endorsement from delegates to the AFL-CIO convention.

A resolution adopted on the convention's opening day urged AFL-CIO unions to give "total support and cooperation" in the recently launched coordinating organizing effort in Houston.

While noting that the federation's organizing efforts have increased the numbers of new union members in recent years, the convention observed that "unfair and illegal tactics of labor-management consultants and employers hinder employees in their pursuit of collective bargaining through organizing."

The convention directed the federation's Dept. of Organization & Field Services to intensify its development of training projects and teaching materials for organizers. It also urged wider use of the George Meany Center for Labor Studies to devise and jointly administer programs for multi-union participation.

The department and the national organizing committee were encouraged in their efforts to develop creative methods to combat union-busters.

"We call on the committee and the department to continue their critical work on special projects such as the development of manuals on communications, post-election activity, targeting, and positive labor relations," the resolution said.

A separate resolution spotlghted the union-busting role of labor relations "consultants" hired to keep unions out or get rid of an existing union.

It urged the AFL-CIO to expand its program of exposing the union-busters and prodded the Labor Dept. to enforce Landrum-Griffin Act reporting requirements for such consultants.

In its report to the convention, the Executive Council described the Houston project as the most ambitious organizing effort ever launched by labor. Thirty international unions are cooperating in the effort, which is directed at 700,000 organizable workers in the Houston area.

VICE PRESIDENT Lloyd McBride, chairman of the council's organizing committee, called for the entire labor movement to rally behind the Houston project.

Vice Presidents Albert Shanker and William Wynn and others who spoke on the resolution urged that the Houston project be used as a stepping stone for a national campaign to overcome anti-union employers.

Continued support was also expressed for "Project Counter Attack" to address the problems of union decertification.

DECERTIFICATION campaigns were rare until a few years ago, it observed. But today they represent "a menacing new direction taken by American industry—a threat not only to many individual unions, but to the basic role of free trade unionism in our democratic system."

The convention called for vigorous efforts by all affiliates to block blatant attempts to destroy existing collective bargaining relationships and urged responsible corporate leaders to weigh the ultimate effect these anti-union efforts will have on industry and free society.

Delegates urged continued development of labor's corporate research techniques to exert added pressure on targeted employers. A key element of the strategy is the direct involvement of unions in corporate affairs as stockholders and use of pension fund investments in influencing corporate labor relations activities.

Hispanic Workers Looking To Labor to Aid Progress

New York—Hispanic workers are looking to the labor movement "with hope for a better tomorrow," and labor has a stake in sharing "common ground" with Hispanics, Henry L. Lacayo told the AFL-CIO convention.

Lacayo, chairman of the Labor Council for Latin American Advancement, warned the delegates that "labor's enemies, the 'trickle down' gang who would stop all progress dead in its tracks, are the very ones who are trying to entice and lure Hispanics into their ranks." The labor movement cannot stand by and allow that to happen, he declared.

HISPANICS HAVE a high regard for the labor movement, Lacayo pointed out, and have a higher percentage rate of union membership than that of the total workforce. Because Hispanics have a strong inclination to join unions, the organizing potential is enormous, he asserted.

Lacayo, who directs the Auto Workers' Community Action Program, said that while Hispanic-Americans come from a variety of national backgrounds, they share a common devotion to their country and a common set of problems.

Hispanic voters normally support labor's candidates by wide margins, he noted, but fewer than half the nine million Hispanic citizens eligible to vote are registered.

A HIGH unemployment rate, along with other serious social problems have made many Hispanics feel they are "second class citizens" without political effectiveness, and led to restlessness and despair. despair.

He told the delegates that the success of organizing programs such as the one the AFL-CIO is staging in Houston is linked to accenting "the positive" and to developing "a program that those of us who are in the trenches can utilize when we come in contact with the Hispanic-American community."

Lacayo urged unions seeking to attract Hispanic workers to pay attention to their cultural and language traditions and present "a visible and credible Hispanic presence" in leadership and staff organizing drives.

MEDIA AND public relations campaigns, he said, should be conducted so that "they can be properly understood by the Hispanic constituents" labor wants to reach.

The LCLAA, founded in 1973 with AFL-CIO support, is "labor's bridge to the Hispanic community in America," Lacayo asserted, pointing to the many thousands of Hispanic workers who joined in the Solidarity Day demonstration at LCLAA's urging.

The main role of LCLAA, he said, is to motivate Hispanic union members to become more active in the labor movement and in the American political process.

THE COMMON desire of the labor movement and the Hispanic communities for a decent life explains why Hispanic workers "look to labor and reject the Administration's policies that call for rolling back on affirmative action, the Voting Rights Act and those programs that give assistance to women, the young and the aged," Lacayo asserted.

He told the delegates Hispanics reject an Administration that proposes to bring 50,000 guest workers a year from Mexico into the U.S. to work for low wages to compete with Hispanic Americans who already have a 15.5-percent jobless rate.

Jewish Daily Forward Hailed in 85th Year

New York—The Jewish Daily Forward is nearing its 85th anniversary, and the AFL-CIO convention wished it "many more years" of service to its readers and the labor movement.

A convention resolution noted that over the years the newspaper has been "a true friend" to America's unions.



HENRY L. LACAYO

Emasculation Of Protective Rules Scored

New York—The Reagan Administration has abused both its appointive authority and the regulatory process "to emasculate regulations that protect workers, consumers and the environment," the AFL-CIO charged.

A convention resolution questioned the presidential Executive Order at the start of the Reagan Administration that resulted in postponement, abandonment and weakening of government protections.

COSTS HAVE been cited as justification for scuttling regulations without any offsetting consideration of benefits, the convention noted.

The effectiveness of regulatory agencies has also been further weakened by the appointment of officials with little interest in the mission of their agencies.

Among the regulatory programs hurt by the Reagan Administration's hostility, the resolution noted, are the Occupational Safety & Health Act, the Mine Safety & Health Act, Urban Mass Transportation Act, Davis-Bacon Act, Service Contract Act, Fair Labor Standards Act, affirmative action programs, energy price controls, consumer protection laws and environmental standards.

THE RESOLUTION affirmed the AFL-CIO's intent "to fight to maintain essential worker, consumer and environmental protections" and to monitor the Administration's regulatory enforcement carefully.

It declared that the federation "will bring appropriate legal action" if necessary to prevent laws from being distorted through the regulatory process."

Two More Firms Added by Council To Boycott List

New York—Procter & Gamble soaps and New Galax mirrors were added to the AFL-CIO boycott list by the Executive Council at its pre-convention meeting here.

The boycott against Procter & Gamble was requested by the Steel Workers which has been trying to negotiate an agreement at the company's Kansas City, Kan., plant since the union was certified as bargaining agent in November 1980.

PRODUCTS SUBJECT to the boycott include Tide, Cheer, Oxydol and Bold laundry detergents, Zest, Camay and Ivory bar soaps, and Joy, Ivory and Dawn dishwashing detergents.

The New Galax mirror boycott grows out of a strike by the Furniture Workers, which won an election at the Galax, Va., factory in March 1981. The 65 workers were forced to strike Sept. 2 after the company refused to bargain and began a campaign of firings and harassment, the council statement said.

Most workers at the southwestern Virginia plant are paid less than $4 an hour, the council said, adding that they are also assessed up to 25 percent of their earnings for health insurance.

ON THE Procter & Gamble boycott, the council pointed out that the company's "delaying tactics" are intended "to wear down the workers and their union." The independent union previously in the plant had endorsed the Steelworkers' organizing campaign.

Although the company denies it is taking punitive action against the Kansas City workers, the council pointed out that employees at the plant lag behind those at other P&G plants. They have not had a raise since November 1979, have been required to pay their own medical insurance premiums since February 1980, and have been denied bonuses previously paid. In addition, the council said, the company has transferred or laid off many workers and shut down some departments.

New Leadership for ILPA

Labor Press Sessions Focus on '82 Election

New York — The International Labor Press Association elected Diane Curry to a two-year term as president of the organization, made up of AFL-CIO and Canadian Labor Congress publications.

Curry is director of publications for the Railway & Airline Clerks. She has been an ILPA vice president for six years and is also editor of the Coalition of Labor Union Women's newsletter.

SHE WILL succeed James Cesnik, editor of the Newspaper Guild Reporter, next Jan. 1. The ILPA constitution prohibits presidents from serving successive terms.

Susan Dunlop, an assistant editor of the AFL-CIO News, was elected to her first full term as ILPA secretary-treasurer. She had held the post since last January when she was elected by the organization's executive council after the resignation of Allen Y. Zack.

Some 200 delegates took part in the ILPA convention where programs and workshops focused on coverage of the major issues facing labor in 1982, the role of the labor press in the elections, the emerging use of electronic media, and improving technical skills.

IN HIS KEYNOTE address, AFL-CIO Sec.-Treas. Thomas R. Donahue praised the labor press for its contributions to the work of the labor movement.

"The labor movement stands almost alone," Donahue told the delegates, "as the best organized and most coherent force that is still fighting to defend the rights of and upgrade the quality of life for all the American people."

Although union members are in the minority in the workforce, Donahue said, "it is our unity that makes the difference, and one of our strongest assets in building that unity is the effective communication instrument that we have created in the labor press."

The ILPA's central concern during 1981 was the danger posed to the labor press by the Reagan Administration's attempt to strip the federal budget of funds that permit non-profit publications a lower, phased postage rate schedule, Dunlop told the convention in her report.

The labor press, as well as allies among other non-profit groups, mounted a strong lobbying effort to retain the subsidy in the budget, Dunlop said. She noted that, had those efforts failed, postal rates for most labor publications would have doubled on Oct. 1.

ILPA WAS ABLE to persuade Congress to retain much of the non-profit subsidy, and while labor publications still face the prospect of a postage rate increase, it would be much lower than the Administration first proposed.

Dunlop noted that the ILPA's successful intervention in cases before the Postal Rate Commission in 1980 had won special presort discounts for the labor press. That decision, combined with a recent favorable ruling by the Postal Service Board of Governors, would hold the effective increase for 75 percent of ILPA's member publications to about two-tenths of a cent per copy.

In other elections, 10 incumbent vice presidents were re-elected to the ILPA executive council and five will join the council for the first time in January.

RE-ELECTED were Joseph Hanafin, Canadian Machinist; Ken Germanson, Allied Industrial Worker; Rochelle Hart, Chicago Teachers Union Newsletter; Jean Hughes Wright, San Francisco Actor; Carolyn Jacobson, Bakery, Confectionery & Tobacco Workers News; Robert Kalaski, Machinist; Glenn Martin, California AFL-CIO News; Gordon Spielman, the Union Advocate, St. Paul, Minn.; and Marl Young, Overture, Los Angeles Musicians Local 47.

New vice presidents will be Jay Bloom, Voice of Local One, Food & Commercial Workers, Utica, N.Y.; Richard Calistri, Labor Newspaper, Washington; Gregory Croy, UFCW Action; Kim Fellner, the Screen Actor; John Harvey, Bay State Employee, State, County & Municipal Employees Council 93, Boston; and Gary Hubbard, Steelabor.

ILPA Vice Presidents Russell Gibbons, Steelabor, and Jerry Archuleta, Oil, Chemical & Atomic Workers News, were honored for their six years of service on the executive council. The ILPA convention limits vice presidents to three two-year terms.

The ILPA's 10th A. J. Liebling Lecture, named in memory of the late press critic for the New Yorker, was given by Jack Rosenthal, deputy editorial page editor for the New York Times, who at one time was on the staff of the Oregon Labor Press.



LABOR EDITORS were reminded of their critical role as a communications link for unions, their leaders and members. That was a major theme of the keynote address by AFL-CIO Sec.-Treas. Thomas R. Donahue at the International Labor Press Association's biennial convention. With Donahue is ILPA President James Cesnik, editor of the Guild Reporter, published by the Newspaper Guild.

Fair Foreign Trade Policy Linked to Job Concerns

New York—America needs a fair foreign trade policy to maintain a diversified industrial base that will create full employment and raise standards of living here and in other countries, the AFL-CIO declared.

In shaping that policy, the convention said, there must be greater emphasis on promoting U.S. interests through national actions and international cooperation. It stressed that "the United States must remain a major maritime, agricultural and manufacturing nation."

THE RESOLUTION on international trade and investment called for import relief for key industries, a federal role in the purchase and distribution of oil imports, targeted government promotion of exports, closing of tax loopholes that encourage multinational companies to move operations abroad, and upgrading of grain export practices.

"Immediate import relief should be accorded some key industries faced with serious erosion, such as the auto and steel industries," the convention said.

It urged Congress to strengthen U.S. trade laws to provide speedier relief to industries and workers threatened by imports, including amendments to safeguard producers of essential components.

THE CONVENTION also called for the restoration of funds for Trade Adjustment Assistance, which has been slashed by the Reagan Administration's budget cuts.

"Workers who lose their jobs because of imports should receive the 70 percent of lost pay for up to one year and the training and relocation aid that they were promised in the Trade Acts of 1974 and 1979," the convention said.

Noting that tens of thousands of workers "are unemployed because their jobs have been shipped overseas," the resolution stressed the need to close tax loopholes and eliminate incentives for multinational firms to transfer operations out of the United States.

IT CALLED FOR an end to tax deferrals that benefit multinationals and for repeal of foreign tax credits and the Domestic International Sales Corp. tax gimmick.

Other key recommendations urge:

- Creation of a federal agency to handle the purchase and distribution of oil imports to assure that the nation has an adequate supply of oil at a fair price.
- A federal role in grain agreements to assure that food products made from grain are included in exports, as well as establishing a government board that would handle negotiations on grain trading.
- Greater use of the U.S. merchant fleet by the Navy for auxiliary functions and negotiation of bilateral shipping agreements that would assure wide use of U.S.-flag vessels, particularly for grain and coal shipments.

THE CONVENTION SAID that export promotion with carefully targeted goals should be a government priority, but that it "must not take priority over domestic budget needs, nor be used as an excuse for undermining U.S. antitrust or banking laws."

Limits also should be placed on the transfer of capital, technology, and price-sensitive commodities, the convention said in citing the need to assure the country's security and technological advances.

In a related resolution, the convention reiterated the federation's strong opposition to the creation of foreign trade zones in the United States "because they result in job losses to the United States and have been used to undercut U.S. trade and tax laws."

Broadcasting Act Fairness Policy Pledged Support

New York—Attempts to wipe out safeguards against broadcasting abuses must be repelled, the convention said.

It called for the AFL-CIO to work with other concerned groups to prevent repeal of the Fairness Doctrine and the equal time provisions of the 1934 Communications Act, as proposed by Reagan Administration appointees on the Federal Communications Commission.

If the Fairness Doctrine were eliminated, the convention warned, "broadcasters could proselytize on issues of public importance to serve their personal or collective interests without affording any opportunity for response."

REPEAL OF the equal time provisions could "dangerously distort our political processes" by allowing broadcasters to give favored treatment to some candidates while denying broadcast time to their opponents, the resolution said.

In another resolution, the convention warned that the Reagan Administration and its allies in Congress are attempting to weaken the effectiveness of the Freedom of Information Act through amendments.

NOTING THAT the 1967 law was enacted to give the public a greater access to information, the resolution said, "these amendments seek to undo the progress which the act has achieved in providing a more open and responsive government."

It also charged that the proposed changes are designed "to protect the selfish interests of the business community."

Consumer Interests Backed In Battling Budget Slashes

New York—The AFL-CIO will fight to preserve gains made in protecting the American consumer, a convention resolution pledged.

Reagan Administration policies and budget cuts threaten the nation's consumer protection agencies, including a near-phase out of the Consumer Product Safety Commission and curtailment of anti-trust activities by the Federal Trade Commission, the convention noted.

IT SAID the AFL-CIO will resist cuts in budgets and diminished authority for those agencies and others, including the Food & Drug Administration. It will also press for continuation of the National Consumer Cooperative Bank so it can continue to give loans and assistance to consumer cooperatives instead of being shelved in 1982.

Full federal operations should be maintained in the inspection of meat and poultry, the federation insisted.

The resolution called on the government to "keep its commitment to guard the public against unsafe and defective products and to promote honest and fair dealings with consumers."

THE CONSUMER has a right to full and accurate information about products in the marketplace along with protection against "unfair monopoly pricing," the resolution asserted.

Manipulation of consumer credit and "credit gouging" should be restrained, and the consumer should have the right to be heard in the regulatory decision-making and legislative process, the convention said.

The AFL-CIO had opposed efforts to undercut timely and needed rulemaking by regulatory agencies "at the behest of business interests," the resolution pointed out. It stressed that the government has a "crucial and necessary" job to do in maintaining orderly consumer markets and "redressing imbalances" against consumers in our economic system.

THE EXECUTIVE COUNCIL report on consumer protection had pointed out that the Administration's drive to "get government off our backs" translates into proposals to "reform" regulatory agencies so that their ability to protect consumers, workers and the public is inhibited.

Protective rulemaking could be "strangled" by devices such as "cost-benefit analysis" and extensive administrative review procedures along with the giving of veto power over rules to other agencies or Congress, the report warned.

Federal Law Asked to Curb Plant Closings

New York—Effective federal legislation is needed to protect American workers and their communities against the destructive impact of plant closings and runaway shops, the convention declared.

Citing the resultant waste in lost human skills and erosion of community stability, the convention called for elimination of tax incentives that foster shutdowns.

CORPORATIONS should be required to share the financial burden that workers and communities encounter when plants are closed for relocation to other parts of the country or abroad, the resolution stressed.

Other protections the legislation should include, the convention said, are:

- Mandatory advance notice of plant closings.
- Programs to attract new industries to areas hurt by layoffs and job losses.
- For dislocated workers, increased levels of income support for longer periods, as well as continuation of health insurance and meaningful training programs.
- Rights of union successorship when an operation is shut down and is reopened by "new" management.

While the surge in plant closings can be traced largely to the growing "deindustrialization" of the economy, the resolution pointed out that loop holes in tax laws and the flood of imports add to the problem.

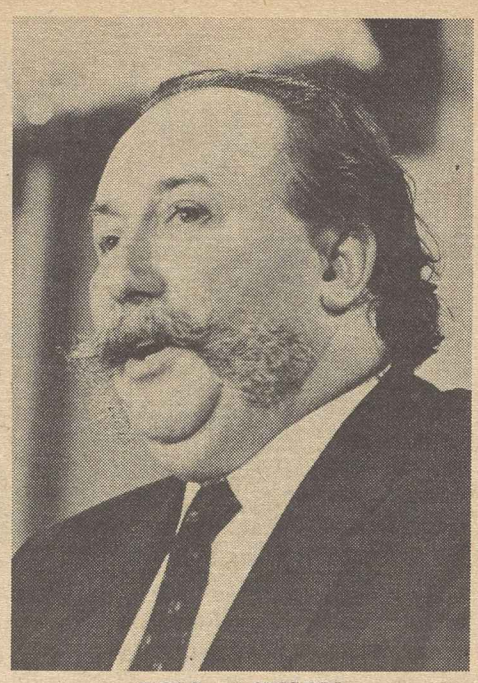
"FEDERAL TAX writeoffs are freely available to companies that close plants in an established location to open new plants overseas or in another part of the country—typically where climates are sunnier and unions are weaker," the convention observed.

Fair international trade laws should also be adopted and fully enforced to help bring the problem of plant closings under control, the convention said.

"Whether through reindustrialization, tax reform or trade policy, we cannot afford to design programs to cushion the blows of plant closings while we perpetuate policies that weaken our industrial base and cause many plant closings in the first place."



DENNIS McDERMOTT



TOM JACKSON

Fraternal Delegates Cite Common Economic Woes

New York—The insistence of governments on sticking to disastrous economic policies is uniting the world's free trade union movements, fraternal delegates to the AFL-CIO convention observed.

"Economic chaos of the worst kind and political impotence of the worst kind is the scenario in Canada," Canadian Labor Congress President McDermott told the convention.

UNEMPLOYMENT has gone from 7.5 percent to 8.3 percent from the same period last year, interest rates are at 16.5 percent, although down from some 22 percent, and the average mortgage rate in October 1981 was between 20 and 25 percent, McDermott said.

"The crippling, devastating effect on working people in the entire fabric of society because of this economic idiocy is beyond description," the former Auto Workers' vice president declared.

He said election promises of restraint on interest rates, control of the domestic energy crisis, intelligent use of natural resources, an industrial strategy and the creation of secondary industries have not been fulfilled. The Canadian people were "overwhelmed," he said, when a recently announced new national economic policy contained "nothing about economic reform, nothing about economic stimulation, no help for the homeowner, nothing about planned industrial strategy, nothing about unemployment."

THE CLC IS committed to "work for solutions" through "political mobilization," McDermott stressed. He said the Canadian federation will work to build worker support for the New Democratic Party and form coalitions with "like-minded organizations on energy, interest rates, ethno-cultural matters, and all other things we can join with men and women of good will in the rest of society."

Tom Jackson, representing the British Trades Union Congress, told the delegates they need no "crystal ball to see what is going to happen to you with your government. All you have to do is come to Britain and see what is being done to us.

"It is almost as though your President and our Prime Minister (Margaret Thatcher) had the same speech writer," he observed.

FULL EMPLOYMENT in Britain was once regarded as about 1.5 percent unemployed, Jackson noted. Today the jobless rate stands at 12.3 percent "and is still rising."

Economic policies that "benefit the rich and hit the poor" are commonplace, said Jackson, who is general secretary of the Union of Communication Workers.

Attacks on the labor movement by government are "a daily ritual" and legislation is continually being pressed to weaken British unions, he pointed out.

LABOR UNIONS in Britain, Jackson observed, "have become the whipping boys for the failure of the conservative, monetarist policies of our government."

But "we have won out before in depressing economic circumstances, and so we shall do again," he declared.

He pointed to the achievements of the Polish free trade union, Solidarity, established "in the face of difficulties and daners which make our problems look small."

THE TRADE union movements of both Britain and the United States have survived "oppression and antipathy" for more than a century and will still be strong, Jackson said, "when Reagan and Thatcher are no more than footnotes in history."

The labor movement, he concluded, will survive because "we draw our strength from the people, and the people will not be defeated."

Job Training Called Vital To Economy

New York—Employment and training services for the disadvantaged and chronically jobless, such as those provided by the AFL-CIO's Human Resources Development Institute, are critical to an economy with steadily worsening unemployment, the AFL-CIO declared.

A convention resolution pointed out that HRDI has been an effective arm of organized labor since 1968, providing services for minorities, youth, veterans, the handicapped and women and helping labor organizations participate in national training and employment programs.

THE EXECUTIVE Council's report to the convention stressed that HRDI had stepped up its activities during 1980, especially its assistance to organizations using programs under the Comprehensive Employment & Training Act. HRDI was also expanding its own skill training, apprenticeship outreach, placement and related services.

But sharp reduction in the federal budget for national employment and training programs gutted CETA in 1981 and forced a 37-percent cut in HRDI's own contract with the Labor Dept., the council noted. The institute was forced to reorganize its structure and cut back its field and national office staff in order to keep as many programs as possible functioning.

The convention stressed that training, job creation and placement services are a major element of the national effort to achieve full employment, and it called on the Labor Dept. to maintain adequate funding of national employment and training programs.

THE RESOLUTION called on HRDI to maintain its cooperative efforts with state and local labor organizations to develop jobs, place the jobless and continue its wide range of programs to meet the needs of people with special employment problems.

HRDI should continue to provide technical assistance and services to AFL-CIO affiliates and their locals, the resolution said. This aid should take into account the private sector emphasis of federal programs so labor can participate fully in national employment and training programs and protect its rights.

THE CONVENTION called on HRDI to continue its special, targeted programs for disadvantaged people and maintain its national program structure.

The resolution said the expertise of the HRDI staff should continue to be available throughout the AFL-CIO to help affiliates meet their employment and training needs, including upgrading, retraining or other services needed by union members.

Greater Union Voice Sought In Pension Fund Investments

New York—Increasing the decision-making role of unions in the management and investment practices of pension funds is essential to the interests of union members and their families, the convention said.

A key objective is to build on the progress unions had made over the past two years in training local officials and pension fund trustees by carrying out recommendations of an Executive Council committee on pension fund investments.

IN PURSUING this line of action, the convention observed, unions can better contribute to the creation of jobs while insuring that pension funds are invested in ways that are helpful, not detrimental to union members.

A first step in expanding the voice of unions in collective bargaining over the use of funds now unilaterally controlled by employers is to obtain information about the financial performance, management practices and investment policies of the funds, the resolution noted.

It also urged wider participation in programs such as the AFL-CIO Mortgage Investment Trust that channel funds into union-built construction projects and related enterprises.

PUBLIC EMPLOYEE unions should be assisted in getting pension funds of state and local governments to establish accounts for low-income home mortgages, investments in other construction and funding of job-creating programs, the convention said.

It stressed that unions also should make increased use of shareholder rights in negotiated pension plans to advance workers' interests in collective bargaining, job safety, plant closings and equal employment opportunity.

It called for continuing labor training programs on pension activities and promotion of investment opportunities that spur the country's reindustrialization.

Vice President John H. Lyons, in urging adoption of the resolution, stressed that the thrust of the council committee's pension investment strategy is to protect workers' jobs while they are working and safeguard their pension income in retirement.

IN A RELATED resolution, the convention called for additional amendments to the federal pension protection law. It cited the need to place the administration of ERISA in a single government agency and for providing public employees the same range of protections that now cover workers in private industry.

The resolution also urged speedy implementation of the new multiemployer pension plan termination insurance amendment with appropriate consultation with unions.

Codes, Training Pressed To Avoid Hotel Fires

New York—The AFL-CIO convention called on local governments to enact and enforce effective fire codes to help prevent hotels and motel fires, which pose a serious threat to workers, guests and fire fighters.

The convention also voiced support for fire prevention and survival training programs for hotel and motel employees, noting that some 12,000 hotel and motel fires occur annually in the United States, killing hundreds and destroying vast amounts of property.

19 Resolutions Sent to Council For Disposition

New York—The 14th AFL-CIO convention referred 19 of the 209 resolutions submitted for its consideration to the new Executive Council for disposition after further research and study.

The convention adopted 87 resolutions, accepting amendments to several of them, and deemed 95 others to be covered by its actions. The delegates voted non-concurrence with three resolutions and found that no action was necessary on five, since they reflected long-standing policy.

The 19 referred resolutions deal with a broad range of problems and issues facing AFL-CIO members as workers, trade unionists and citizens. They embrace such topics as the role of the mass media in America, strikes, radiation hazards, and social security inequities.

The referred resolutions will be considered by a committee of the Executive Council.

Professional Employees Report:

Technology, Job Change Reshaping Workforce

New York — Expanded trade union cooperation is essential to fully address the impact of technological change on professional and white-collar workers, the Dept. for Professional Employees declared as it pointed out that sweeping innovations are redefining jobs and shifting the role of workers in all industries.

Delegates to the department's third convention also voiced an interest in the per capita payment increase and re-elected top officers.

TO FACE THE challenge of the new worldwide industrial revolution, the convention called on affiliates to negotiate effective contract protections for members. It also urged continued studies by the DPE's Labor Institute for Human Enrichment on specific problems, stronger ties with labor organizations of other countries, and expansion of the AFL-CIO's capabilities in the area of technological developments.

"The speed with which new equipment is being introduced, and the enormous changes in work organization, management control, job design and employment levels . . . present organized labor with one of its greatest challenges ever," the convention warned.

Delegates took part in two days of workshops to explore the international scope of technological change and various avenues to combat its adverse effect.

IN HIS OPENING remarks to the convention, Department President Albert Shanker said the economic course of the 1980s and beyond will have a direct bearing on the department's widening scope.

This should follow, Shanker suggested, from the increasing talk of reindustrialization. When plants are redesigned, there is a tremendous shift from the traditional makeup of the workforce to white-collar, professional and technical jobs, he noted.

With the coming of these changes, it is especially essential that government support of social programs be increased, not slashed as the Reagan Administration has done, Shanker noted.

INVESTMENTS must go beyond plant and equipment, he said, stressing the need to restore funding for health, humanities and education programs.

DPE Director Jack Golodner noted in his report to the delegates that more than 50 percent of the U.S. workforce is already employed in technical and professional jobs. This is reflected in the department's membership growth and expansion to 27 affiliates.

In an address to the delegates, AFL-CIO President Lane Kirkland commended the DPE's research studies on the problems of white-collar, technical and women workers as a vital contribution to the pursuits of all federation affiliates in organizing collective bargaining and legislative activities.

KIRKLAND SAID the department's pioneering efforts in human enrichment programs "have opened many doors to higher education and to deeper understanding and appreciation of the arts" by union members and their families.

These contributions are particularly valuable in the face of the Administration's regressive social philosophy, he observed.

The convention re-elected DPE officers to new two-year terms. Besides Shanker, who is president of the Teachers, they include Vice President Victor Fuentealba, president of the Musicians, and Treas. Rodney Bower, who heads the Professional & Technical Engineers. The department's 27 vice presidents on the executive board are chosen by the affiliates they represent. The DPE director is appointed.

IN RESTRUCTURING the per capita tax paid by affiliates, the convention approved increased monthly payments to 10 cents per worker from the current 5 cents on the first 10,000 members, effective Dec. 1. Affiliates will continue to pay 5 cents per member up to 150,000 members, and 1¼ cents in excess of 150,000.

The more than 30 resolutions adopted by the convention included measures calling for the restoration of funds for the arts and humanities slashed by the Reagan budget, opposition to Administration block grants for education that would threaten services for millions of children, rejection of new attempts in the Senate to pass tuition tax credits, enactment of federal legislation to block the concentration of power in the news publishing and broadcast media, and rebuffing efforts to scuttle the Fairness Doctrine and Equal Time provisions of the Communications Act.

Panelists in the workshops on technological change underlined the need to develop systems incorporating a special responsibility through contract negotiations, legislation and employer cooperation.

SPEAKERS CITED examples of "technological scabbing" and intimidation of workers through the use of sophisticated computer systems at a variety of levels—between plants, between companies within a country and even on an international basis where employers play workers of one country against those of another.

Workshop panelists included Harley Shaiken of Massachusetts Institute of Technology; David Lea, assistant general secretary of the British Trades Union Congress; Fritz Hauser, labor counselor of the West German embassy, and Robert Cole, director of Japanese Studies at Michigan State University.



PROFESSIONAL EMPLOYEES delegates meet to discuss the growing interest of white collar workers in unions and the effects of an explosion of technological change in business and industry. Albert Shanker, president of the AFL-CIO Dept. for Professional Employees, chairs the department's convention, which included a half-day conference on new technology. Seated are, from left, DPE-Treas. Rodney A. Bower; Vice President Victor W. Fuentealba; and Director Jack Golodner.

Illegal Immigrants Termed Victims of Double Standard

New York—America has no place for a "double standard" applied to illegal workers, and their status should be corrected as soon as possible, Rev. Theodore Hesburgh told convention delegates.

A significant step in that direction, the president of Notre Dame University said, came in the unanimous recommendation of a national commission he headed which called for the legalization of illegal aliens who have been working in the country since Jan. 1, 1980, and are in good standing with the law.

IN TAKING that action, "we wanted to free these many people who live in the shadows and who are not really a part of this land," he said.

Undocumented workers are often victimized by unscrupulous employers, Hesburgh pointed out. He noted that they are subject to long hours at less than the minimum wage and no overtime pay, cannot join a union and are constantly threatened with deportation.

THE PRICE OF legislation, Hesburgh stressed, is to cut the flow of illegal immigration. Most illegal workers come to America, understandably, to find a better life, but America today "simply cannot accept everyone who wants to come here."

Railway & Airline Clerks Vice President J .F. Otero served with Hesburgh on the Select Commission on Immigration & Refugee Policy. Hesburgh also is co-chairman with AFL-CIO President Lane Kirkland of a public committee working for reform of immigration policy.

In his address, Hesburgh pointed out that the exploitation of illegal aliens harms all workers.

"Their condition depresses wages and working conditions generally across our land," he said. "America has no place for this depressing double standard for workers and should regularize it as soon as possible by legalization."

HESBURGH SAID two key elements should be included in immigration policy reform:

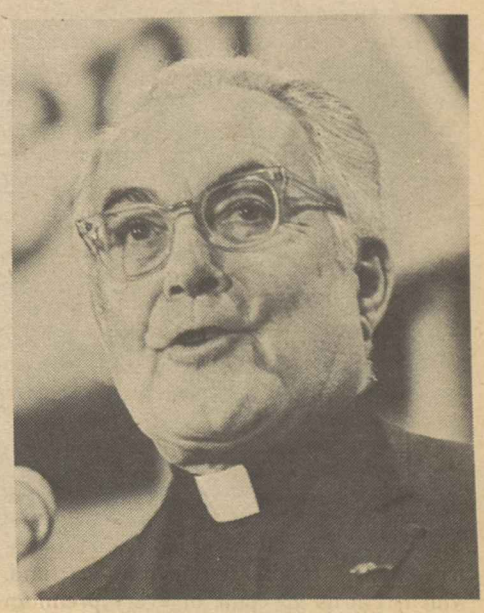
- Sanctions to penalize employers who exploit undocumented workers.
- Development of documents—such as an upgraded social security card—that can't be counterfeited for job-seekers to use when applying for work.

Although the Reagan Administration has a plan for legalization of undocumented workers, it would impose "such harsh conditions stretching out over 15 years that no one in his right mind would apply," he said.

He suggested that more flexibility keyed to economic conditions should be written into the nation's immigration and refugee laws.

"IN TIMES of economic prosperity, we can afford to be more generous with immigrants and refugees to do our share in helping with this enormous problem which affects 16 million people in the world today," Hesburgh observed.

But in times of high unemployment as the nation is now experiencing, he said "our first obligation is to find work for Americans, especially minority Americans," who are bearing the heaviest burden.



REV. THEODORE HESBURGH

Fair, Humane Immigration Policy Pressed

New York—A fair U.S. immigration policy must take into account the interests of American citizens, deal humanely with illegal workers already part of the community and provide for enforcement of immigration laws, the AFL-CIO declared.

The federation firmly rejects the Administration's proposed guest-worker program with Mexico or any other temporary worker arrangements, a convention resolution stressed.

STIFF PENALTIES against employers who hire illegal immigrants should be made law, the AFL-CIO urged, pointing out that enforcement of such laws would depend on the establishment of a counterfeit-proof identification document.

The resolution said an effective immigration policy requires increased resources for border control and internal enforcement and more staff and funding for the Immigration & Naturalization Service.

Illegal immigrants who have developed ties to American communities should have their status legalized, provided further illegal immigration is curbed the AFL-CIO said. The resolution called the Administration's proposals for legal status "so harsh that they are a mockery of the concept of amnesty."

ADMINISTRATION plans would sharply limit the number of illegal immigrants allowed to apply for naturalization, subject them to a 15-year waiting period, deny them reunification with their families and demand payment of taxes without the right to benefits granted other taxpayers, such as unemployment compensation. Proficiency in English also would be demanded.

The resolution stressed that any expansion of legal immigration must depend on solving other problems first, including unemployment. Time should be allowed for the absorption of the millions of illegal workers already in the system as well as the many refugees who have arrived in the last ten years, the convention said.

Refugees from political persecution should continue to find a haven in the United States, the AFL-CIO said. It stressed, however, that the United States cannot by itself accept the 15 million refugees worldwide, and other nations must take more responsibility for refugees.

THE RESOLUTION deplored the harsh treatment of some refugees trying to enter the United States, treatment that in some cases has resulted in deaths. The resolution termed the transfer of Haitian refugees to detention in a camp in one of the coldest regions in upper New York State "an act of vindictiveness."

A guest worker program would worsen the nation's serious unemployment problems, the AFL-CIO said, pointing out that women and minority workers would be hardest hit.

Railway & Airline Clerks Vice President Jack Otero, praising the resolution, stressed that the United States needs an immigration policy "of compassion, a policy of fairness and equality." He branded the current policy "obsolete, unenforceable and incapable of dealing" with the sub-culture of six million illegal workers already in the United States.

Richard Chavez of the Farm Workers declared that a guest-worker program at a time of such high unemployment would be "a form of union-busting."



LABEL AND SHOP CARD use and promotion were central topics at the Union Label & Service Trades Dept.'s 60th convention. Delegates adopted resolutions urging the wider use and promotion of the union label and shop card and focusing on the problem of jobs lost to unfair competition from the imports of low-wage countries.

Union Label Convention Approves Per Capita Rise to Fuel Expansion

New York—The 60th convention of the AFL-CIO Union Label & Service Trades Dept. approved a per capita tax increase to cover expansion of the department's union label and shop card promotion programs and its boycott activities.

Monthly per capita payments will go from three cents per member each month to four cents on Jan. 1, 1982. The constitutional change also authorizes the executive board to raise the per capita payment by another cent after Jan. 1, 1983, if that is deemed necessary. Affiliates would be given three months' notice of the increase.

THE TAX PAID by local union label and service trades councils will go from $12 to $25 per year, and the initiation fee for newly chartered councils will rise to $25 from $15.

Sec.-Treas. Earl D. McDavid, reporting on activities since its 1979 meeting, stressed that the department is "a servant of the entire AFL-CIO" under its chartered responsibility "to be of substantial assistance to the entire labor movement."

McDavid announced that he will resign as secretary-treasurer on Feb. 28, 1982, but will remain on the staff as a representative based in Seattle to help improve the delivery of the department's services to the Far West and to organize local councils in the area. Dept. President John E. Mara, who is also a vice president of the Food & Commercial Workers, continues in his four-year term.

AFL-CIO PRESIDENT Lane Kirkland told the convention that the department's growth and its record of success with its programs have helped undermine the credibility "of some of the heavy thinkers, academics and journalists who specialize in predicting the decline and fall of the American labor movement."

The department has chartered 187 new local union label and service trades councils since the last convention, Kirkland pointed out, and he praised its efforts to successfully resolve boycotts against J. P. Stevens & Co. and Winn-Dixie Stores, "the leading anti-union forces in their respective industries."

More and more consumers, Kirkland said, are learning to look for the union label in the marketplace as a result of the department's programs.

"IF THESE ARE signs of decline," Kirkland quipped, "we surely need more of it."

He told the convention the AFL-CIO is reappraising the labor movement's public relations and communications programs, and one of the first results has been the setting of new standards and streamlining of procedures for handling boycotts.

One of the aims of the AFL-CIO's exploration of new electronic communications with members and the public is to help "increase the scope and impact of work of this department, which is a vital part of the AFL-CIO," Kirkland said.

IN HIS SUMMARY of department programs, McDavid pointed out that since 1978, when the department began an intensive regional effort to organize local label councils within state and local bodies, 268 new councils have been chartered, giving the department a total of 373 councils.

In 1980, he said, the department published its 223-page consumer directory of union-made products and services and has maintained its policy of providing label and service trades information on request to organizations and individuals along with its programs promoting the purchase of union-made goods.

The AFL-CIO Executive Council guidelines for boycotts put primary responsibility for the action on the union involved, McDavid pointed out, stressing that the department is prepared to support the boycott "to whatever extent that AFL-CIO union wants support, whether it be money or manpower, or whatever is needed."

AMONG THE 72 resolutions acted on by the delegates were measures covering:

- Encouragement of the use of union label products and services by public and voluntary agencies.
- Use of union-made clothing and tools on the job.
- Continuation and expansion of the department's boycott programs on behalf of affiliates.
- Endorsement of the AFL-CIO fair trade policy and fair regulation of imports.
- Development of an awards program to recognize achievement by workers and their employers in the production of union goods and use of union services and skills.

States Called Battleground On Workers' Compensation

New York—The AFL-CIO called on its affiliates to resist attempts to cut back workers' compensation and to seek to strengthen state programs, especially in coverage of occupational disease.

A convention resolution reaffirmed the AFL-CIO's support for establishment of federal minimum standards for state workers' compensation benefits. But because "it is apparent that there will be no federal standards legislation in the immediate future," the current battleground is the states, the resolution said.

IT NOTED attempts to weaken existing protections, some of which have been successful. In Florida, compensation for permanent partial disability will be allowed only when there is a direct wage loss except in extreme cases such as amputations or at least 80 percent loss of vision.

The resolution commended the Ohio AFL-CIO and the state's voters for having decisively beaten a proposal on the ballot that would have undermined Ohio's exclusive state workers' compensation fund, which returns 95 cents of every premium dollar in benefit payments.

Speaking on the resolution, Ohio State AFL-CIO Sec.-Treas. Warren J. Smith noted that employers in nearby states were paying higher premiums than firms in Ohio, while workers were receiving lower benefits.

"THE MESSAGE is a simple one," he said. "Get the hands of the private insurers out of the pockets of our employers and out of the pockets of the insured workers and there will be more than enough funds to adequately fund workers' compensation."

Smith noted that Ohio's program was based on legislation sponsored by William Green, later to become president of the American Federation of Labor, when he was a state senator.

A SEPARATE convention resolution strongly opposed efforts in Congress to reduce benefits to injured federal and postal workers.

The way to save on benefit costs, the resolution stressed, is to "provide safe working conditions" and not to weaken protection of the Federal Employee Compensation Act.

Effective Care Urged For Mental Patients

New York—The AFL-CIO reaffirmed its opposition to "dumping" mentally ill and severely retarded patients on the community in order to cut down on institutional costs.

The convention adopted a resolution urging effective protection of the interests of the patients and "equitable arrangements," including retraining and alternate employment, for institutional workers whose jobs are eliminated.

State Bodies Applauded on R-T-W Battle

New York—The AFL-CIO will continue to give high priority to the battle against state "right-to-work" laws and to an array of other anti-labor measures being pressed in state legislatures.

An attempt to outlaw the union shop through "right-to-work" laws in any state "is a threat to the entire labor movement," the convention warned.

THE RESOLUTION applauded the work of state central bodies that have been instrumental in turning back attacks on the union shop, and urged the AFL-CIO Executive Council "to continue with its programs of seeking special assistance to state bodies confronted with threats of right-to-work laws."

It urged "a special effort to increase the number of affiliates in all state and local central bodies," especially those "bearing the brunt of the attack on free collective bargaining."

Leaders of state labor federations in Colorado, Connecticut and New Mexico spoke during floor discussion on the resolution of the repeated battles over labor's collective bargaining rights in states that have been targeted by the National Right to Work Committee.

The AFL-CIO Dept. of Organization & Field Services was lauded for effective assistance to the state federations.

IN NEARLY every state, the convention noted in a separate resolution, labor's legislative achievements of past years are under heavy attack. It urged:

- Continued assistance to central bodies from the AFL-CIO field staff.
- Expanded research and training services to state bodies on legislative issues.
- Interchange of information among state bodies.
- Wide coverage in the labor press of the threat of punitive legislation in the legislature.
- Encouragement by international unions of affiliations by their locals with state central bodies.

Jobless Benefits Cutback Assailed As Safety Net Rip

New York—Federal and state action to repair deliberately inflicted rips in the unemployment compensation safety net was called for by the AFL-CIO.

A convention resolution cited the cutbacks in the extended benefits program, begun under the Carter Administration and intensified under the Reagan Administration. It noted taxation of jobless benefits for the first time and a severe tightening of eligibility for compensation.

THE CONVENTION pressed for repeal of the regressive measures, which are especially oppressive during the present period of recession with rising unemployment. The current 8 percent jobless rate, the resolution noted, is the fruit of the Reagan Administration's "deliberate policy" of high unemployment as a check of inflation.

Budget pressures have been used as an excuse to cut back unemployment entitlements, the resolution noted. But "there is no reason why the state expenditures for unemployment compensation should be part of the federal budget," and they should not be so included, the resolution stated.

The convention reiterated labor's support for the establishment of federal minimum benefit standards, as urged by the National Commission on Unemployment Compensation. But "until that goal is achieved," the resolution urged, states should take the initiative in easing harsh eligibility and disqualification provisions "and to increase weekly benefit amounts and benefit duration periods."

Seek Share of Cargo

Maritime Unions Look To Coal Export Stimulus

New York — Unions in the AFL-CIO Maritime Trades Dept. are looking to coal exports for an energy-hungry world as a lever to revive U.S. shipping and shipbuilding industries that have been allowed to sink to dangerously low levels.

A key resolution adopted at the department's biennial convention called for "rebuilding the U.S. dry-bulk fleet by means of legislation calling for the carriage of a portion of our coal exports in U.S.-flag vessels."

THE RESOLUTION noted that the United States—"the world's leading trading nation"—carries less than 4 percent of the cargoes it generates in American-flag vessels. The nation's merchant fleet includes "a mere 15 dry-bulk vessels, mostly very old," the convention noted.

Legislation to reserve a share of dry-bulk cargo for U.S. vessels through bilateral agreements with America's trading partners has been approved by the House Merchant Marine Committee as part of a port development bill, and is now before the House Public Works Committee, which shares jurisdiction.

The convention delegates, representing unions with 8.5 million members, included in the maritime policy resolution a call for utilization of the merchant fleet as a naval auxiliary. They urged "targeted tax relief" to strengthen the competitive position of U.S. shipping companies.

A report to the convention by President Frank Drozak, Vice President Stephen J. Leslie and Executive Sec.-Treas. Jean F. Ingrao stressed labor's continued strong opposition to any export or exchange of oil from Alaska's North Slope.

On the periodic proposals that have been made to allow the sale of Alaskan oil to Japan, a convention resolution warned of lost jobs "in every maritime-related industry" and in pipeline and refinery development, along with a "dangerous" increase in the nation's dependence on foreign oil.

The department also took a strong stand against any weakening of the Jones Act, which reserves cargo and passenger service between U.S. ports for American-built, American-crewed vessels. It urged trade with the Virgin Islands be brought back under the Jones Act.

AFL-CIO PRESIDENT Lane Kirkland pledged the federation's continued support for the restoration of the nation's sea power, which he linked to national security goals.

"No matter how high the defense budget goes," Kirkland told the delegates, "America's safety cannot be assured until we have the sealift capacity and the maritime skills to transport our military forces and sustain our allies anywhere in the world."

House Merchant Marine Committee Chairman Walter Jones (D-N.C.) said his committee intends to make it "crystal clear" that cargo preference laws requiring transport of government-originated cargo in U.S. vessels must be "strictly and faithfully carried out."

REP. MARIO Biaggi (D-N.Y.), chairman of the Merchant Marine subcommittee dealing with the department's legislative priorities, and House Public Works Committee Chairman James Howard (D-N.J.) stressed the importance of port development to achieve the full potential of coal exports.

The convention also heard from two Senate supporters of the department's goals —Daniel P. Moynihan (D-N.Y.), sponsor of port development legislation, and Charles McC. Mathias, Jr. (R-Md.).

U.S. Maritime Administrator Harold Shear, who came to his post as a Navy admiral, told the delegates he shared their belief in "the importance of a strong U.S.-flag presence on the world's trade routes" and the need for a strong merchant marine in time of war. He promised to do "whatever is humanly possible to reverse the declining trend in our shipping industry."

THE TWO-DAY convention dealt with 115 resolutions, covering the broad range of the labor movement's concerns as well as the issues of special interest to maritime-related unions.

The department expressed concern at attempts in Congress to weaken the Longshoremen's & Harborworkers' Compensation Act, protested the move to enlarge the Hobbs Act so that picket-line incidents would be prosecuted as federal crimes, and sounded an alert against management consultants hired to thwart the collective bargaining process.

It urged the importance of the Strategic Petroleum Reserve "to insure immediate availability of oil supplies in the event of a supply cutoff." And it warned against allowing the skills and capacities of the U.S. shipbuilding industry to be wiped out through abandonment to foreign shipyards.



RECOGNITION of his long service to the AFL-CIO Maritime Trades Dept. comes to former MTD Vice President Jack McDonald, center, in a special award. Department President Frank Drozak, left and Vice President Stephen J. Leslie presented the plaque during the department's 1981 convention. McDonald, a former Operating Engineers' vice president, helped found the MTD in 1946 and served as its vice president until his retirement in 1979. He was succeeded by Leslie, also an Operating Engineers' vice president.

Federal Ban Sought On 'Lie Detectors'

New York—The AFL-CIO urged Congress to enact effective safeguards against "lie detector" tests that employers are using to intimidate workers while violating their right to privacy.

Although scientific studies have disproved the notion that these tests can accurately measure honesty, a convention resolution noted, 500,000 workers were subjected to polygraph tests last year.

The resolution cited the findings of a congressional commission which in 1974 determined that the use of polygraph devices are an "unreasonable invasion of privacy" and called for legislation banning their use, manufacture and sale.

State licensing provisions, the convention said, offer little protection for workers and instead legitimize the use of the devices.

'Appropriate Action' Pledged To Achieve Equality in Pay

New York—The AFL-CIO will take "all appropriate action" to bring about equal pay for "work of comparable value" and to remove all barriers to equal opportunity for women.

A convention resolution stressed that working women continue to suffer from widespread discrimination in the workplace and urged the federation's affiliates to adopt the concept of comparable worth in bargaining and to use the bargaining process to correct pay inequities just as it is used to remedy other types of unfairness.

EQUAL OPPORTUNITY would be enhanced, another resolution declared, with the establishment by Congress of a comprehensive national system of quality, 24-hour a day child care to aid working parents.

Working women at full-time jobs, the AFL-CIO said, earn only 59 cents for every dollar earned by men working full time. The federation cited a 1981 study done by the National Academy of Science for the Equal Employment Opportunity Commission which tied the differential squarely to discrimination.

THE EQUAL PAY resolution urged AFL-CIO affiliates to use contract negotiations to "upgrade undervalued job classifications regardless of whether they are typically considered 'male' or 'female' jobs."

Another action urged by the AFL-CIO is joint union-employer pay equity studies to "identify and correct internal inequities" between predominantly female and predominantly male job classifications.

AFL-CIO Vice President Joyce Miller, speaking in support of the resolution, called the comparable worth issue "critical" to all workers, a trade union issue that will improve the economic condition of men as well as women.

With women workers available at cheaper wages than men, "trade unionists know what that means . . . men will be fired and women hired," Service Employees Delegate Rosemary Trump said.

WOMEN WORKERS are entering the workforce in record numbers, the convention pointed out. It noted that many are the sole support of their families or work because their paychecks offer "the only hope their families have of keeping up with uncontrolled inflation."

The resolution on day care observed that many women are forced to leave children with "relatives, friends, strangers, even alone and unattended, just to earn money to put food on the table."

The choice between properly caring for children and properly providing for them should not be forced on women living and working in the United States, the AFL-CIO said.

"EVERY AMERICAN woman is entitled to the right to work in support of her family free from the worry that her children are not being properly looked after," the convention declared, adding that children are entitled to experienced professional care while their parents are at work.

Women's Groups Aligned with Unions on Rights

New York—Women's groups marched with the trade union movement on Solidarity Day and will be aligned with labor in the election battle ahead, President Eleanor Smeal of the National Organization of Women told the convention.

"We stand in solidarity with the trade unionists," she said, "determined to protect the last 50 years of victories for workers' rights, minority rights, women's rights, and determined not to go backwards."

SMEAL TOLD the delegates she has found "growing discontent" with the policies and budget actions of the Reagan Administration. In fact, she suggested, her own organization and "for solidarity among groups committed to social progress."

The Administration has been "a consciousness raiser for all those who thought we couldn't go backwards," she said. "The Reagan Administration is proving that the workers of this country need a vigorous trade union movement, women need a vigorous women's rights movement, and minorities and blacks need a vigorous civil rights movement."

Smeal described the fight for ratification of the Equal Rights Amendment as "a bread-and-butter issue" involving the use of women as a source of "cheap labor."

IT'S NOT coincidence, she suggested, that legislators who vote against ERA have the highest ratings from employer groups and the poorest labor voting records.

"We have common allies, common goals and common opponents," Smeal stressed.

Smeal said the people who are saying that the women's movement is dead, "that we've had our decade," are the same who say that the civil rights movement was over after the decade of the sixties, and who think that trade unionism stopped after the era of the sweatshops.

THE COALITION of Labor Union Women and today's labor leaders generally have been quick to recognize "the new political potential of women," Smeal said. "We will march in solidarity again and again."

Smeal received a standing ovation from the delegates as she closed with a hope for "a better tomorrow" in which all people can live up to their full potential, with "decency and dignity" in the workplace, in a society "in which men and women, blacks and whites, don't have to make intolerable choices," and where "we indeed can control our own destiny."



ELEANOR SMEAL

Senate Panel Bars Reagan NLRB Choice

The Senate Labor & Human Resources Committee has rejected President Reagan's nominee to chair the National Labor Relations Board, John R. Van de Water.

The AFL-CIO has strongly opposed Van de Water's nomination because of his active and partisan role on the side of management in employer-union disputes over much of his career.

NEWS OF THE Senate panel's vote brought cheers from the delegates attending the AFL-CIO's convention in New York. Federation President Lane Kirkland urged Reagan to nominate "a fair-minded neutral who believes in the right to organize and collectively bargain as set forth in the law."

In testimony before the Senate Labor Committee this fall, AFL-CIO Sec.-Treas. Thomas R. Donahue charged that Van de Water's management consultant activities over the years showed him to be "an active anti-union partisan, opposed to the exercise by employees of their right to choose union representation, and opposed to people's efforts to gain access to collective bargaining.

"We do not believe that union organizers or management opposers of organization should serve on the NLRB," Donahue said.

THE VAN DE WATER nomination was rejected after Republican Sen. Lowell Weicker of Connecticut joined the seven Democrats on the Labor & Human Resources Committee to produce two 8-8 tie votes on reporting the nomination out to the full Senate favorably. Motions die on tie votes.

Weicker said that because Van de Water during his years as a consultant "decided to cast his lot clearly with business, with management," he would not be perceived as an objective board member.

The seven Democratic Senators on the committee are Edward M. Kennedy (Mass.), Jennings Randolph (W.Va.), Harrison Williams Jr. (N.J.), Claiborne Pell (R.I.), Thomas F. Eagleton (Mo.), Donald W. Riegle (Mich.), and Howard M. Metzenbaum (Ohio).

Van de Water, 64, has served as NLRB chairman since August under a recess appointment by the President. He could continue as chairman until next year without Senate confirmation.

HE HEADED his own California consulting firm, Van de Water Associates, from 1949 until his appointment. He also served as a management representative for both the Ford Motor Co. and North American Aviation, Inc.

During his Senate testimony, Donahue submitted materials compiled by the AFL-CIO's Los Angeles-Orange County Organizing Committee for 1964-72 revealing that Van de Water's firm served in at least 18 campaigns to defeat efforts of workers to organize unions.

Donahue urged the committee to look into this case and others in which Van de Water had been involved to determine whether the nominee had engaged in "persuader activities." Advising employers during a campaign would be a persuader activity, and would have to be reported under the Landrum-Griffin Act.



ROLL CALL of leaders of the AFL, the CIO and today's merged federation forms part of the display at the convention highlighting the 100th anniversary of the federation's founding in November 1881. The portraits show, from left, Samuel Gompers, first AFL president; John McBride, second president who was succeeded by Gompers again; William Green, third AFL president; John L. Lewis, first CIO president; CIO Presidents Philip Murray and Walter Reuther; George Meany, first president of the merged federation, and current AFL-CIO President Lane Kirkland.

1982 Elections Designated For Next Solidarity Protest

New York — Solidarity Day 1982 will be Election Day, Nov. 2, the AFL-CIO declared in a convention resolution that urged union members and their allies to "mobilize" and "march to the polls in unprecedented numbers" to elect a Congress that will "reverse the disastrous policies of the Reagan Administration and restore humane government to the American people."

The resolution applauded the success of Solidarity Day 1981, Sept. 19, which drew more than 400,000 union members and supporters of human rights, religious, consumer, environmental and other allied groups to Washington for the largest protest march staged in the nation's capital.

Besides the huge number of protesters, the success of Solidarity Day also lay in the relationships developed and strengthened between the labor movement and its allies at the national and community levels. These relationships must be carried forward to keep the "spirit of Solidarity Day" fresh, the convention said.

That spirit has since made its mark on the local level in the successful campaign against a tuition tax credit initiative on the District of Columbia ballot, the resolution noted. The issue was defeated by a margin of 89 percent.

Nationally, the resolution said, Solidarity Day "has encouraged increasing resistance in the Congress to the President's domestic policies and proposals."

The massive turnout for Solidarity Day is only a beginning, the resolution stressed. It said labor must accelerate its legislative and political efforts locally and nationally "to ensure that the hundreds of thousands who came to Washington on Sept. 19 continue to be heard loud and clear."

The convention pledged to renew and strengthen the Budget Coalition put together in 1981 to fight the Administration's cuts in federal funds for human services. The coalition's job will be to "fight again to meet vital social needs, to end the recession and offset the damage it has already done," the resolution pledged.

One of the successes of Solidarity Day, the convention observed, was that it renewed working relations among international unions and state and local central bodies. The resolution said the AFL-CIO will work to "sustain the spirit of Solidarity Day" in local communities and strengthen newly formed bonds with "friends who share our goals" as part of the Election Day effort.

AFL-CIO Vice President William Wynn, president of the Food & Commercial Workers, observed in floor discussion of the resolution that the next Solidarity Day will "return to the Congress of this country, to our state and local offices, the kind of representatives who will have compassion and understanding for all of the people and not just the privileged."

Solidarity Day was a message "to our government, to our employers and to all of corporate America to call off their anti-union dogs" and end their "divide and conquer" tactics, AFL-CIO Vice President William Winpisinger, head of the Machinists, declared.

Before taking up the resolution, delegates showed an AFL-CIO film highlighting the events of the Solidarity Day demonstration.

Convention Spurs Union Label Use

New York—Union Label Week will be observed Sept. 6-11, 1982, and Sept. 5-10, 1983, the AFL-CIO directed in a convention resolution.

The weeks are set aside to promote the use of the union label and shop card and to encourage consumers to buy union made products and services.

The convention also urged AFL-CIO affiliates to participate in the 1982 and 1983 Union-Industries Shows, produced and managed by the Union Label & Service Trades Dept., and to support the department's work by providing information on the use of labels and shop cards and on labor's boycotts in their publications.

Checkoff Pressed to Offset Corporate Political Funds

New York—Unions can help narrow the wide advantage in political funding that corporate and conservative groups hold over labor by promoting voluntary checkoff contributions from their members, the convention said.

The 1980 elections demonstrated the fast-growing funding gap between unions and opposing political action committees, the convention pointed out. It noted that campaign contributions by right-wing and business PACs were five times greater than that of labor. In the 1978 elections, the edge was 2½ to 1.

"THE AFL-CIO has long urged public financing for all federal elections to avoid turning them into auctions," the resolution observed. But it warned that until a public financing measure is adopted, "it is vital that labor's capacity to help fund its endorsed candidates be dramatically increased.

"Checkoff is the only means through which the AFL-CIO can provide enough funding to endorsed candidates to offset the tremendous amounts their opponents receive from corporate, trade association and right-wing PACs," the resolution stressed.

Looking to next year's elections, the convention called for an outpouring of union members to polling places with the same spirit that brought hundreds of thousands of persons to Solidarity Day demonstration in Washington.

TO MAINTAIN the "momentum" of Solidarity Day the convention urged that the next general election, Nov. 2, 1982, be designated as Solidarity Day II.

It called for continued cooperation by the federation and its affiliates with the more than 200 allied organizations that contributed to the huge Solidarity Day turnout, channeling that spirit into support of "candidates concerned about jobs, social justice and equitable taxation."

In its report to the convention, the Executive Council noted that although labor's overall outlook for the 1982 election improved, prospects for gains by progressives in Congress are still clouded.

IN THE SENATE, there will be 20 Democratic seats and only 12 Republican seats contested. Only a handful of GOP seats appear vulnerable, and some of these are held by moderates.

In the House, the real impact of redistricting is still unknown, although the shift of 17 seats from the Northeast and Midwest to the Sunbelt could enhance opportunities for conservative candidates, the report observed.

Labor to Join in Marking LaGuardia Centennial

New York—The AFL-CIO will join in the Dec. 12, 1982 celebration of the 100th anniversary of the birth of Fiorello H. LaGuardia, late mayor of New York who was a staunch friend of labor during his 1934-1945 tenure in office and throughout his public service.

A convention resolution on the LaGuardia centennial pointed out that he had begun his career as a union lawyer before World War I. As a congressman, he was co-author of the Norris-LaGuardia Act of 1932 that limited the use of injunctions against unions and outlawed the yellow dog contract.

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Economic Index Shows Recession Worsening

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By James M. Shevis

The government's index of leading economic indicators showed that the nation's economy suffered another sharp setback in October with prospects of further deepening of the current recession.

The measure, which is intended to forecast trends in the economy, fell 1.8 percent over the month, following a 2.2-percent drop in September and a decline of six-tenths of 1 percent in August. It was the first three-month string of declines in the index since the March-through-May series last year, which set the stage for the recession.

THE INDEX is made up of 12 components but only 10 are available at the time of the first report for each month. Six of the 10 declined in October, two fewer than in the previous month. The increase in the manufacturing layoff rate accounted for about 40 percent of the decline. The unemployment rate rose to 8 percent in October, and is expected to continue rising.

A drop in building permits, reflecting the continued slump in the housing industry, and a drop in new orders for consumer goods accounted for most of the rest of the index's decline. Also down were the pace of deliveries, changes in liquid assets, and orders adjusted for inflation. Increasing for the month were the average workweek, crude materials prices, stock prices, and the money supply adjusted for inflation.

Robert Ortner, chief economist for the Commerce Dept., which issued the report, said the October decline "strongly reflects the current business condition and what is likely to be developing over the next few months." He predicted that real gross national product—the value of the nation's total output of goods and services—would drop at an annual rate of nearly 5 percent in the current quarter, and at a slower rate in the first three months of 1982.

SUPPORTING his prediction was a report from the auto industry that November production declined 25 percent to 414,046 units from the year-earlier out-

(Continued on Page 3)



100th ANNIVERSARY of the American labor movement is marked with a presentation by the American Arbitration Association to the AFL-CIO, commending the federation's efforts in advancing the arbitration process. From left are Jacob Sheinkman, secretary-treasurer of the Clothing & Textile Workers; Robert Coulson, president of the AAA; Federation President Lane Kirkland and Sec.-Treas. Thomas R. Donahue, and Wilbur Daniels, executive vice president of the Ladies' Garment Workers. Kirkland, Donahue, Sheinkman and Daniels are members of the AAA board of directors.

Council Welcomes Talks with Reagan Despite Deep Split

By David L. Perlman

AFL-CIO leaders told President Reagan that the trade union movement has "deep, principled differences" with his economic policies but welcomes a promise that labor's voice will henceforth be heard during the shaping of Administration policies.

A Dec. 2 White House meeting, initiated by the President, inaugurated an exchange of views that Reagan said he hopes will be continued on a regular basis.

THE AFL-CIO Executive Council was represented by President Lane Kirkland, Sec.-Treas. Thomas R. Donahue and 26 federation vice presidents. Joining Reagan around the Cabinet table were Vice President George Bush, Labor Sec. Raymond J. Donovan and top-level White House and department officials. Bush and Donovan were designated by Reagan to set up procedures for continuing consultations.

Kirkland made clear in a statement issued after meeting that the AFL-CIO delegation expressed serious concern over "excessive and mounting unemployment" and the damage done by the deepening recession. **(Text, Page 2.)**

THE COUNCIL members noted their disagreement with Administration budget and tax policies and their concern that these policies will "aggravate the human problems of working people in a time of severe recession," Kirkland said.

"Labor's approach to national, social and economic issues is at deep variance with that of the Administration," Kirkland observed. He said the council's recommendation to the President was based on the "strong anti-recession program" adopted at the AFL-CIO's recent convention.

That program, in sharp contrast to Administration budget-cutting, calls for funding local public works projects to provide immediate jobs. It would expand housing programs, restore the public service employment program and move toward shoring up the nation's basic industries through targeted government loans, interest subsidies and tax benefits.

KIRKLAND SAID the council members also "urged the President to give humane consideration to the problems of the air traffic controllers and their families."

They called on the President to put the controllers back on the job "so as to restore normal air traffic service as soon as possible, spare the public further inconvenience, and permit the thousands of other furloughed air industry employees to return to work."

At a White House news briefing later that day, White House aides said "the entire matter" of the air traffic controllers is being discussed within the Administration but that no decision has been made.

EXECUTIVE COUNCIL members who took part in the White House meeting, in addition to Kirkland and Donahue, were Vice Presidents John H. Lyons, Thomas W. Gleason, Frederick O'Neal, Martin J. Ward, Murray H. Finley, Albert Shanker, Sol C. Chaikin, Edward T. Hanley, Angelo Fosco, Charles H. Pillard,

(Continued on Page 2)

Conference on Aging Told

Social Security 'Crisis' Fabricated to Fit Budget

By Susan Dunlop

AFL-CIO Social Security Director Bert Seidman accused opponents of social security of manufacturing a crisis over the system's financial state to persuade Americans to accept deep cuts in benefits.

Seidman told the White House Conference on Aging that the system is sound and its future financial health can be assured by calm congressional action.

IN A KEYNOTE address to the conference's Committee on Economic Well-Being, which is preparing recommendations on social security, Seidman pointed out that attacks on the system are not new, but the program today "is under its most intensive assault in its 40-year history." The voices critical of social security "are more strident, and, what is worse, they are the voices of those in high places in our government," he said.

He charged that the Administration is seeking "to perpetuate the myth that social security teeters on the brink of bankruptcy" and can only be rescued by making sweeping changes in current and future benefits.

Social security, he said, has become a "target of opportunity" for the Administration, "a means by which to balance the federal budget at the expense of social security recipients."

NOT ONLY is the system not facing bankruptcy, Seidman asserted, but its short-term financial problems can be readily eased by beefing up the inflation-plagued Old Age & Survivors Insurance fund through reallocation of taxes, interfund borrowing and permitting borrowing from general revenues.

Solving that short-range crunch will give Congress time "away from the crisis atmosphere calmly to debate needed long-range changes, he told the committee. Current predictions issued by the Adminis-

(Continued on Page 2)

'80 Job Injury, Death Rate Down

By John R. Oravec

The rate of job-connected injuries, illness and fatalities among private sector workers declined last year for the first time in five years, the Bureau of Labor reported.

BLS said that its survey of records that employers maintain under provisions of the federal job safety law showed that about one worker in every 12 experienced an injury or illness during 1980, compared with a ratio of 1 in 11 in each of the four previous years.

WHILE JOB-RELATED injuries dropped to 5.6 million in 1980 from 6.1 million in 1979, BLS said that nearly 20 percent of the half-million decline can be attributed to a decrease in total hours worked from 1979 to 1980.

The annual BLS report noted that the all-industry incidence rate fell from 9.5 injuries and illnesses per 100 full-time workers in 1979 to 8.7 in 1980, with about 10 percent of that decline attributed to the drop in working hours worked.

Job-related deaths in workplaces with 11 or more workers also declined from 4,950 in 1979 to 4,400 in 1980 as the fatality rate for this category eased from 8.6 per 100,000 workers in 1979 to 7.7 last year, the BLS said.

THE NUMBER of reported occupational illnesses was down over the year to 130,200 from 148,900 in 1979, the report noted.

BLS pointed out, however, that the recording and reporting of occupational illness continues to present measurement problems since employers and physicians often don't recognize a worker's illness to be job-connected. As a result, it said, the survey understates the occurrence of work-connected disease and illness.

AFL-CIO Occupational Safety Director George H. R. Taylor traced the overall improvement in the statistics to the efforts of former Assistant Labor Sec. Eula Bingham in developing effective OSHA standards and strengthening enforcement.

Taylor warned that the Reagan Administration's campaign to reverse the programs instituted by Bingham could seriously jeopardize the health and safety of workers and reverse the positive trend in reducing job injuries and illnesses.

The BLS report for 1980 showed that the overall occupational injury rate—excluding illnesses—declined from 9.2 per 100 full-time workers in 1979 to 8.5 in 1980. Seven of the eight major industry divisions showed improvements over the year, and only the agriculture, forestry and fishing division had a slight increase.

Construction remained the most hazardous occupation with an injury rate of 15.7 per 100 workers, followed by manufacturing, 12.2; agriculture, forestry and fishing, 11.9, and mining, 11.4.

OCCUPATIONAL injuries resulting in lost workdays declined to 2.5 million from 2.7 million in 1979, BLS reported. About 40.9 million workdays were lost last year because of injuries, compared with 42.6

(Continued on Page 3)

Text of Kirkland Statement On Meeting with President

The following is the text of AFL-CIO President Lane Kirkland's statement on the Executive Council's meeting with President Reagan.

We welcome this opportunity for an exchange of views with the President.

The AFL-CIO Executive Council expressed deep concern over the nation's excessive and mounting unemployment and the waste of resources and opportunities resulting from the deepening recession. We noted our deep, principled differences with the Administration's budget and tax policies and our concern that they will serve only to aggravate the human problems of working people in a time of severe recession.

We acknowledged that labor's approach to national, social and economic issues is at deep variance with that of the Administration, but urged the President to adopt a strong anti-recession program as contained in our recent convention resolution, adopted unanimously by the delegates from all our affiliated unions.

Among other issues discussed, we urged the President to give humane consideration to the problems of the air traffic controllers and their families. We urged returning these workers to their jobs so as to restore normal air traffic service as soon as possible, spare the public further inconvenience, and permit the thousands of other furloughed air industry employees to return to work.

We welcome the President's assurances that labor will have timely opportunities to express its views on issues of mutual concern, as the Administration's position on these issues is being formulated. The AFL-CIO is prepared to cooperate in any arrangements established to carry out this new policy.

5 Union Leaders Bring Suit For Rehiring of Controllers

Five union leaders have filed suit to require the federal government to rehire the 11,500 members of the Professional Air Traffic Controllers Organization fired in August for striking.

In an action filed in U.S. District Court for the District of Columbia, the union leaders charged that by refusing to rehire the controllers the Administration is violating the 1958 Air Transportation Act, which requires the government to provide "efficient, comprehensive and timely passenger and cargo air transportation under conditions of maximum safety."

THE PLAINTIFFS are Presidents Glenn Watts of the Communications Workers, Douglas Fraser of the Auto Workers, Kenneth Blaylock of the Government Employees, William H. Wynn of the Food & Commercial Workers, and Executive Director Terry Herndon of the unaffiliated National Education Association.

The suit charges that curtailment of air traffic caused by reduced staffing levels at control towers and regional centers has been "detrimental and injurious" to union officials who are required to travel by air to meet their members' needs. It also maintains that air safety has deteriorated and that the national defense has been weakened by shifting military air traffic controllers to civilian service.

At a news conference, the plaintiffs emphasized that the suit takes no position on the correctness of the Administration's initial reaction to the strike or to the Federal Labor Relations Authority's subsequent decision to decertify PATCO.

REFUSAL TO rehire the controllers "is arbitrary, capricious and an abuse of discretion within the meaning of the Administrative Procedure Act," the suit adds. The reason for the defendants' refusal is "extraneous to carrying out their statutory duties," it concludes. Defendants in the action are Federal Aviation Administrator Lynn Helms, Transportation Sec. Drew Lewis, and Director Donald Devine of the Office of Personnel Management.

In related areas:

- The union applied for reorganization under the Federal Bankruptcy Act. It seeks a court order that would free it from the threat of creditors' lawsuits, halting all litigation involving fines and financial matters, until it can develop a plan to put its finances in order.

- Once the union was denied its right to represent controllers, the FAA stopped collecting dues from the 2,000 PATCO members who kept working during the strike. About $350,000 in dues already collected remains in an FAA escrow fund because of various legal claims.

- Complaints that test scores of air traffic control trainees had been manipulated to keep them from failing reached the House Civil Service Committee. The panel, chaired by Rep. William D. Ford (D-Mich.) called for an investigation, saying that the nation could not afford even the "slightest suspicion" that air safety was being endangered.

- Hawaii's State Labor Dept. authorized payment of unemployment benefits to most of the 135 PATCO members who walked off their jobs there in August. Several court cases involving payments of similar unemployment benefits are pending in other states.

Recount Affirms GOP Victory In Jersey Governor's Race

Trenton, N.J.—Republican Thomas H. Kean emerged as the winner of the closest gubernatorial election in New Jersey's history, maintaining a lead of about 1,700 votes out of 2.3 million cast through a nearly complete recount.

Rep. James J. Florio (D-N.J.), who had COPE support, conceded the outcome and Kean will take office on Jan. 19, 1982.

Rebukes Reagan Administration

ILO Protests Discharge Of U.S. Air Controllers

Geneva—The International Labor Organization has called on the Reagan Administration to lift its sanctions against the striking air traffic controllers and to resume collective bargaining with their union.

The call was sounded by the ILO's Governing Body of 56 worker, government and employer delegates as it adopted a report by its Freedom of Association Committee on the Reagan Administration's handling of the walkout by the Professional Air Traffic Controllers Organization.

WHILE ACKNOWLEDGING that the White House had observed the letter of the law in its dealings with PATCO, the committee sharply rebuked the U.S. government by underscoring the "severe nature" of its actions against the union and its members.

"The application of excessively severe sanctions against public servants on account of their participation in a strike cannot be conducive to the development of harmonious industrial relations," the report said.

This finding was in line with the views expressed by President Lane Kirkland in a letter to ILO Director Gen. Francis Blanchard strongly endorsing a complaint filed against the U.S. government by the International Confederation of Free Trade Unions.

THE BRUSSELS-BASED ICFTU had charged the Reagan Administration with "infringement of basic trade union rights"—as embodied in the ILO conventions guaranteeing workers the right to strike and bargain collectively—by its heavy-handed moves against PATCO.

In its conclusions, the Freedom of Association Committee called on the Administration to consider rehiring the dismissed controllers, to waive, or at least reduce, the imposed fines and to deprive none of the strikers of the benefits of the government mortgage protection plan simply because of the strike action.

By adopting without a vote the report of its 10-member watchdog group, the Governing Body of the 146-nation ILO also made clear its condemnation of the Administration's move to decertify PATCO as the controllers' bargaining agent.

THE COMMITTEE expressed no opinion on the legality of the Administration's action because the issue was still before the courts. However, it stressed the importance it attached to having governments and other public administrations "recognize for collective bargaining purposes the organizations representative of their employees."

For this reason, the committee expressed the hope that the Administration would move toward "reopening a dialogue with PATCO."

The committee, composed of three members of each of the Governing Body's three groups of worker, employer and government representatives with an independent legal expert as chairman, also showed its concern over the use of military air controllers as substitutes for the striking PATCO members.

Responding to the calls that the Administration seek a settlement with PATCO, U.S. Deputy Under Sec. of Labor Robert W. Searby assured the Governing Body that he would communicate "accurately" to Washington the committee's conclusions and recommendations and keep the ILO informed of developments.

Labor Welcomes Reagan's Pledge To Hear Views

(Continued from Page 1)

J. C. Turner, Lloyd McBride, David J. Fitzmaurice, Kenneth T. Blaylock, Alvin E. Heaps, William H. Wynn, John J. O'Donnell, Wayne E. Glenn, Robert F. Goss, Joyce D. Miller, John J. Sweeney, Douglas A. Fraser, Frank Drozak, Barbara Hutchinson, Richard I. Kilroy and Vincent R. Sombrotto.

Seven vice presidents did not attend for reasons ranging from illness and previous commitments to opposition to the meeting.

The invitation on behalf of the President had been extended to Kirkland and the Executive Council on the eve of the AFL-CIO convention. Council members were told that "the President wants very much to receive the counsel and input of the representatives of organized labor on a continuing basis."

AFTER THE White House meeting, Kirkland said the federation welcomes "the President's assurances that labor will have timely opportunities to express its views on issues of mutual concern, as the Administration's position on these issues is being formulated."

He said the AFL-CIO will "cooperate in any arrangements established to carry out this new policy."

Seidman Hits Social Security Scare Tactic

(Continued from Page 1)

tration that the system will not be able to meet its long-range obligations are "exceedingly questionable" because they are based on weak assumptions, Seidman said.

The White House conference, the third of its kind, opened in Washington amid charges by many organizations representing the elderly that the Administration had stacked the delegate roster with supporters of its own policies and had made rules for voting on conference recommendations that would stifle criticism of the Reagan Administration's actual and proposed budget cuts in programs that aid the elderly.

JACOB CLAYMAN, president of the National Council of Senior Citizens, voiced the NCSC's objections during a meeting with Health & Human Services Sec. Richard S. Schweiker. Clayman and other leaders had asked the secretary to change a rule that forces delegates to vote only to accept or reject the entire package of proposals coming out of the committee, but Schweiker rejected their appeal.

Seidman was chairman of the technical committee on retirement income that reported to the full panel on economic well-being.

He charged that the Administration was "perpetuating myths" that social security would be better replaced by a private insurance system, that it had reduced personal savings incentives, that it can only be saved by acquiescing in massive cuts in benefits.

THE ADMINISTRATION created a "crisis atmosphere" in which it could insist the only way to "save" social security was to make it a "smaller, less adequate program," Seidman said. That plan, he pointed out, called for cutting 40 percent from the benefits of early retirees, raising the retirement age to 68, changing the formula for determining benefits, sharply reducing the cost-of-living adjustment and creating harsh new eligibility rules for disability benefits.

These proposals "touched off a firestorm of protest" Seidman noted, and the Administration quickly asked Congress not to act until a "bipartisan commission" could study the system and report on it "once the dangerous shoals of the 1982 congressional elections had been navigated."

"The Administration has backed off on its plan to mutilate social security," Seidman said, "but it hasn't backed down."

HE SCORED Congress for allowing the Administration to cut back social security benefits in the overall budget process through elimination of the minimum monthly benefit and certain lump sum death benefits and phasing out or reducing survivors' benefits.

Congress is acting to restore the minimum benefit, Seidman noted, and he urged that "once that error in judgment" is corrected, it should deal in orderly fashion with the system's current needs.

When the short-term problems are resolved, Seidman said, Congress should consider such long-term actions as removal of social security from the unified budget and restoring the "autonomy" it had prior to fiscal 1969, establishment of an independent board to run the system, and the infusion of funds from general revenues.

THE PROBLEMS of aging call for an examination of ways to make the program work even better, Seidman stressed, particularly for women, blacks, Hispanics, Native Americans and others who "have been ill-treated in the labor market."

He cited polls showing that social security is one of the most popular government programs and observed that this "tells us there is no gulf between the generations" in support for the program "despite the Administration's attempts to drive a wedge between contributors and beneficiaries."

Fire Fighters Cite Excessive Job Hazards

Hollywood, Fla.—The rate of deaths and injuries among fire fighters across the nation continues at "unacceptably high levels, and we must work to bring it down," Fire Fighters President John A. Gannon warned at a symposium on occupational health and hazards here.

Gannon reported that the union's 1980 death and injury survey revealed that 63 fire fighters died last year in the line of duty and another 98 died as a result of occupational illnesses.

"TRANSLATING those figures into statistics, we find 61 line-of-duty deaths per 100,000, the highest of any occupation in the country," Gannon said.

Gannon spoke at a symposium conducted by the John P. Redmond Foundation, which was created by the IAFF and named for a former president of the union. It brings together doctors, scientists, manufacturers of fire service clothing and equipment, public officials, union leaders, and members of the fire fighting community to discuss ways to reduce fire fighting hazards.

Other findings of the IAFF death and injury survey included:

- 36 percent of all fire fighter deaths due to occupational diseases last year were related to cancer, 56 percent to heart disease.
- There were 46,260 reported injuries, 34,562 occurring at the emergency scene.
- 480 forced retirments were due to occupational illnesses, and 338 to line-of-duty injuries.
- Fire fighters averaged 44.8 injuries per 100 workers.
- Fire fighters suffered 181 heart attacks at the emergency scene.

The entire survey is published in the November issue of the union's publication, the International Fire Fighter.



10-DAY CONFERENCE at the International Labor Organization in Geneva explored avenues of upgrading working conditions for teachers and the rights of teachers on collective bargaining. Discussing the issues are Eugenia Kemble of the American Federation of Teachers, and Oscar De Vries, ILO office director of the International Confederation of Free Trade Unions.

ILO Session on Teachers Backs Bargaining Rights

Geneva—Teacher union representatives from around the world have gained significant recognition from governments on the need to upgrade their working conditions and on the rights of teachers to bargain over them.

For the first time under International Labor Organization auspices, a joint government-teacher union meeting came to some historic conclusions on teacher working conditions as well as on the means by which they should be determined.

AFTER A 10-DAY session, 18 teacher-worker representatives and 15 government officials reached agreement on a statement asserting that "competent authorities should recognize independent and legitimate teachers' organizations as representatives of their members, entitled to full information and consultation and to bargain collectively on all the matters covered by these conclusions."

The statement's conclusions covered a broad range of issues, such as the numbers of qualified teachers employed, teacher recruitment and retention, teaching hours, class size and pupil-teacher ratios, teacher health and safety, teacher stress, and the problems of teachers in rural and isolated areas.

They urged the Governing Body of the ILO to "establish a permanent Joint Committee on Teachers" and to hold an early follow-up meeting. They also asked for ILO support for regional seminars "for teachers' organizations on problems of particular concern to them."

AMONG THE topics suggested for future study and discussion were trade union rights, training and the quality of teaching, conditions of employment, and the social situation of teachers in developing countries.

Eugenia Kemble, special assistant to President Albert Shanker of the American Federation of Teachers, chaired the teachers' side of the drafting committee which negotiated the final conclusions with the governments.

"The teachers did very well," Kemble said, " we have a clear recognition on the part of governments that teacher unions represent teachers, that it is appropriate and necessary to negotiate with them and that the range of what can be negotiated is very broad."

SOME GOVERNMENTS took exception to portions of the conclusions, particularly those concerned with negotiations and collective bargaining. Japan, the Philippines, Argentina, Mexico, and Brazil were among governments that noted dissents.

While the ILO had previously studied teacher issues through committees of experts and in joint projects with UNESCO, this was the first time teacher union representatives and governments met on them in the ILO. Erich Frister, president of the International Federation of Free Teachers Unions and outgoing president of the Association of Teachers & Educators of Germany, led the teacher group as its chairman.

Auto Workers Denounce GM On Captive Audience Tactics

Detroit—The Auto Workers accused General Motors of trying to "spoonfeed" management views on the need for worker sacrifice to a captive audience of employees, and advised local UAW leaders not to participate in the company's "unilateral" program.

UAW President Douglas A. Fraser and Vice President Owen Bieber, director of the union's General Motors Dept., said in a statement that the firm's "Road to Survival" campaign is a propaganda attempt to persuade workers they must make wage and benefit concessions in 1982. The automaker employs some 440,000 unionized workers.

THE STATEMENT, issued after top UAW leaders voiced their objections to GM officials at a meeting here, charged that GM seeks to have its employees accept its views on the scope of next year's collective bargaining while attempting to generate distrust of the UAW leadership.

"Efforts by the General Motors spokesmen in this area are nothing new—it happens prior to each round of negotiations," Fraser and Bieber said. "What is new here is that the corporation is attempting to shift a major portion of its efforts into the workplace and to spoonfeed it to a captive audience."

GM calls its program "a special communications effort," and envisions a series of in-plant meetings conducted on company time by local managers and involving nearly all of its workers over the next six months. Negotiations on a new contract are scheduled to begin next July. The current contract expires next September.

A DOCUMENT distributed by GM titled "The Road to Survival" calls for four hour-long meetings of small groups of employees who would be shown films and drawn into discussions on management's publicly stated needs for cutting labor costs.

"In this endeavor," Fraser and Bieber observed, "it seeks to involve the in-plant joint union-management 'quality of worklife' committees"—panels established over the past several years at different locations to lessen labor-management tensions and promote cooperation on local working conditions.

"This was strenuously objected to by the union as a perversion of the contract," Fraser and Bieber said. The quality of worklife committee was never intended as "a vehicle to propagandize or parrot the current views of the chairman of the board of GM as to how to save General Motors through worker sacrifice," they said.

"THE CORPORATION obviously has the right to communicate with its employees, but that process must occur on a purely voluntary basis on the part of each individual and cannot be made compulsory," they stressed.

Meanwhile, in Toronto, UAW members at Chrysler Canada voted to withdraw from the union's international Chrysler agreement next year and negotiate a separate national pact. It marked the third time that Chrysler workers in Canada have voted on the question of bargaining internationally with their U.S. counterparts.

In 1967, the Canadian workers voted for establishment of the international agreement and again in 1973 to remain within the bargaining structure. However, local union leaders in Canada who called for the referendum felt the Chrysler international bargaining process had become complicated because of involvement by the U.S. government and the U.S. Loan Guarantee Board.

American Jewish Committee Presents Award to Georgine

New York—President Robert A. Georgine of the AFL-CIO Building & Construction Trades Dept. received the American Jewish Committee's 1981 Democratic Heritage Award at a testimonial dinner.

Georgine was honored for his accomplishments in the labor field, and for his "pursuit of excellence" on behalf of all Americans.

Signs Point To Deepening Of Recession

(Continued from Page 1)

put. As sales lagged, automakers resorted to temporary plant closings to hold inventories in line.

Meanwhile, the Commerce Dept. reported that October construction spending fell 1.7 percent to a seasonally adjusted $230.8 billion annual rate, the lowest since a $228.9 billion annual rate in October 1980. Outlays on construction have been lackluster for months because of high interest rates on mortgages and construction loans. The department reported that the number of new housing starts in October was down 6.8 percent over the month and 44 percent over the year to a seasonally adjusted annual rate of 857,000 units, the lowest in 15 years.

Two large banks, Continental Illinois in Chicago and Crocker National in California, announced cuts in their prime lending rates to 15.5 from 16 percent, and several others dropped the key rate to 15.75 percent, including Citibank and Chase Manhattan.

AN UNEXPECTED jump in the nation's money supply, reported after the banks lowered their primes, may well preclude any further downturn in the rate in the near future, however. The prime, around which rates on many other loans are set, is the interest rate banks charge their best corporate borrowers. The rate has dropped sharply since September, when it stood at 20.5 percent.

In other economic reports, the Bureau of Labor Statistics said that workers' purchasing power increased three-tenths of 1 percent in October, but was down 3.6 percent over the year-earlier level. The monthly increase followed a 1.7-percent decline in September.

Elsewhere, the Commerce Dept. reported that the nation's merchandise trade deficit widened to a seasonally adjusted $5.27 billion in October as imports soared and exports weakened. In the first 10 months of this year, imports have exceeded exports by $33.99 billion. The year-earlier deficit was $31.29 billion. Commerce Sec. Malcolm Baldrige said that it "appears almost certain" now that the deficit for all of 1981 will be "several billion dollars higher" than the $36.36 billion 1980 deficit.

Most of the October increase in imports involved non-oil products. The value of imports of petroleum and related products over the month rose 1 percent to an adjusted $6.55 billion from $6.49 billion the month before.

Job Safety Tally Shows Decline in Deaths, Injuries

(Continued from Page 1)

million in 1979. The number of lost workdays per 100 workers fell from 66.2 in 1979 to 63.7 in 1980, but the average number of lost workdays per lost-time injury remained at 16 days.

BLS said the only industry with an increase in the lost workday rate was mining—162.8 days per 100 workers—and it continued to lead that category.

As a result of the BLS findings, OSHA has lowered the cutoff point it uses when reviewing an employer's injury rate to determine whether to inspect a manufacturing plant. The average lost workday injury rate in manufacturing declined from 5.7 per 100 workers in 1979 to 5.2 in 1980.

In a related report, the National Institute for Occupational Safety & Health and the Consumer Product Safety Commission predicted that U.S. workers will suffer about 3.3 million occupational injuries in 1981 that will require hospital treatment. The projection is based on a three-month survey of 66 hospitals around the country conducted earlier this year by the two agencies.

Mandate for Compassion

THIS NATION'S ECONOMY is in a shambles—and growing worse with each passing day.

The lines of the jobless grow longer as unemployment heads inexorably toward a postwar record.

The output of our factories diminishes and business bankruptcies are reaching dangerous new highs.

Interest rates are still usurious, prices are still out of control, the purchasing power of all Americans is eroded by inflation, and so are the hard-earned savings of the people who somehow managed to put a few dollars aside for a rainy day. Now the deluge is upon them, and those dollars can barely buy an umbrella.

THE ECONOMIC POLICIES which the Administration has already put into place have cut deep into the social fabric of the nation without having achieved any of their promised goals—and further cruel and painful cuts are threatened with little hope that they, either, will turn the economy around.

The rosy predictions of the spring have given way to the gloomy forecasts of the oncoming winter.

Yet through it all there are voices in high places that seek to reassure us. The downturn will be "shallow," they say. The upturn is sure to follow. It will be here, they say, in the first quarter of 1982—well, maybe not the first quarter, but certainly in the second. Or will there be further slippage into the third, or even fourth quarter?

About all that's missing is for someone in the White House to proclaim, with pompous piety, that "prosperity is just around the corner."

If that happens, we will have come full circle to where this country stood a half-cenury ago, when we were mired in the Great Depression and the men of little vision who were in charge did little more than try to whistle their way past the graveyard of America's hopes and dreams.

WE WORKED OUR WAY out of that difficult period 50 years ago because the American people chose to follow the path of imagination and compassion—because the American people took seriously the constitutional mandate that government's role was to "promote the general welfare"—because laws were enacted to put a floor under misery and to assure that the people of this country shared, just a little more fully, in the great wealth that their hands and hearts and minds had helped to produce.

Nowhere was this compassion and concern more in evidence than in the Social Security Act. That landmark legislation made it clear that the later years in the lives of our citizens—when people were too old to work but too young to die—should be cushioned by at least a minimum retirement income.

—From an address by AFL-CIO Social Security Director Bert Seidman to the White House Conference on Aging, Nov. 30, 1981.

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'Well, Back to the Old Crystal Ball!'



As Nation Burns

Top White House Economist Flouts Full Employment Law

By Gus Tyler

AS CHAIRMAN of the Council of Economic Advisers, Murray L. Weidenbaum is in violation of federal law.

The law is the Full Employment Act of 1946 that calls upon the council to advise the President of the United States on how to maintain "full employment, production, and purchasing power." It was that Act that created the council now headed by Weidenbaum and it is his sworn responsibility to do what that piece of historic legislation instructs him to do.

Instead, he has been issuing statements telling the country that things are going from bad to worse. Next year, he says, the jobless rate will rise to 9 percent, just about the highest since the Great Depression. He forecasts that the total economy will grow by a measly 1 percent for the year. He does not make a single recommendation on what to do about it.

When Rep. Robert S. Walker (R-Pa.) proposes a further tax cut to spur buying, Weidenbaum says that he doesn't "feel comfortable with that kind of fine tuning." Nor does Weidenbaum have any other plans for any kind of tuning—fine or gross, whether about taxes or interest rates or government spending.

WEIDENBAUM ACTS like a fireman who, upon arrival at the site of the conflagration, sprays no water, mounts no ladders, rescues no victims, but calls a press conference to announce that, according to his lights, the fire will get worse, but that—if we are all patient—the fire will eventually burn itself out, provided it doesn't spread to some neighboring buildings, in which case he will reappear at the site to issue another press release.

What Weidenbaum does not seem to appreciate is that in his job as chairman of the Council of Economic Advisers, for which he is paid by the taxpayers, it is his responsibility to put out economic fires known as recessions and depressions. That's why the law was passed and why his post was created and why he was appointed. If he doesn't know how, he ought to resign.

But he won't, because for at least a dozen years it has been the policy of Administrations to start the fires, to act as economic arsonists. Not only have Presidents and their advisers failed to honor the injunctions of the Full Employment Act, they have actually gone out of their way to see to it that the economy does not live up to its "potential."

IF YOU WANT TO know when this policy started, take a look at the President's Economic Report of 1970 when Nixon announced that he intended to keep "real output" below "potential output from 1970 to 1972 because some gap between actual and potential output is necessary to slow down inflation."

To make the "gap," Nixon had to manufacture unemployment, which he did successfully. But prices did not come down. So, he did more of the same, and by 1974 we saw the jobless rate go to the highest since the Great Depression and prices soar to double-digit levels.

For those who like visual aids, Nixon actually provided a diagram (Chart 8 on page 85) showing exactly how much he would depress the economy.

So, whatever Weidenbaum's crime in failing to pursue his sworn purpose in enforcing the law, he is not likely to go to jail. Since every Administration since 1970 has actively violated the law by engineering recessions, by artificially promoting unemployment, to enforce the law now would be impractical because there are probably not enough cells in our federal penitentiaries to house all the members of all the Administrations who have openly flouted the Full Employment Act of 1946 that has not been either repealed or remembered.

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Full Measure of Quality!



UNION LABEL AND SERVICE TRADES DEPT., AFL-CIO

Administration Tampering Scored

Proposed Cutbacks Jeopardize Commitment on Social Security

The following is from the resolution on social security adopted by the AFL-CIO convention.

WITH ENACTMENT of the social security law in 1935, the nation made a commitment to the elderly and to each succeeding generation of older people to provide a continuing share of the nation's abundance to workers after they become too old to work. Now that commitment is in jeopardy because of proposals by the Reagan Administration and conservative forces in the Congress to gut the social security program.

Since social security touches the life of practically every American, responsible public debate concerning its provisions and financing is appropriate. Only in this way can the program be adapted to meet the new and changing needs of the American people. Unfortunately, many recent criticisms are clearly designed to discredit the program and exaggerate its financial difficulties with the purpose of making major program cuts.

Administration proposals to slash or eliminate a number of essential social security protections would cut the overall program by 21-23 percent. Disability insurance would be reduced by about one-third and early retirement benefits by 43 percent. These cuts would have a devastating impact on the program and on those protected by it.

THE PRESIDENT'S recent decision not to push for these cuts pending the report of a proposed study commission is a political maneuver aimed at achieving these cuts by another method. The AFL-CIO will continue to oppose cuts in social security protections whether proposed by the Administration or by any other quarter. We will continue to fight proposals which would:

- Deny social security beneficiaries their full cost-of-living increases.
- Raise the age of retirement or tamper with the early retirement provisions of the law. This is tantamount to an across-the-board benefit reduction for millions of workers and would bear hardest on workers forced into early retirement for reasons of health and inability to find a job.
- Lower the present formula for determining the benefits workers receive at retirement.
- Restrict eligibility or reduce benefits under the social security disability program. The present program is already too stringent.
- Reduce or eliminate the "family" component in the system. Numerous proposals are pending that would eliminate children's benefits for early retirees and place a ceiling on survivors and retirement benefits.
- Increase Medicare premiums, deductibles and coinsurance. The elderly now pay much higher out-of-pocket payments for health care than before Medicare.

SUCH CUTS are not necessary to restore financial balance to the social security system. The immediate problem of a likely funding shortfall during the next five to 10 years in the Old Age & Survivors' Trust Fund (OASI) can be met by borrowing from the Disability and Medicare Trust Funds which are running surpluses and for a back-up provision allowing for the use of general revenue to protect against any potential cash-flow problems. After that, the OASI trust fund situation will improve and remain favorable well into the next century. In addition, the Congress should remove the social security trust funds from the consolidated federal budget so that social security policy can be determined by program and not general budgetary considerations.

We continue to oppose the taxation of social security benefits.

The AFL-CIO urges the introduction of some general revenue financing to provide relief for workers from the scheduled increases in the payroll tax and to strengthen the financing of the system. Partial general revenue financing was anticipated by the founders of the system and is to be found in practically all industrialized countries.

The AFL-CIO urges the Congress to restore the minimum benefit for all present and future retirees.

We urge the Congress not to be unduly influenced by transitory economic and political events and adopt proposals that will do irreparable harm to the social security rights of American workers.

EVERY CONGRESS in the past has made clear beyond question its pledge to the American people that the social security commitment will be honored. The present Administration proposes to violate that commitment. We will do everything possible to make sure that the Congress does not.

While we must direct our energies now to resisting disastrous cutbacks in long-standing social security protections, the AFL-CIO will not lose sight of the continuing need to improve the law.

When the social security program was enacted, the typical American family consisted of a working husband and a wife who was an unpaid homemaker. Since that time major changes have occurred in patterns of work and family relationships. Labor force participation of married women and their divorce and remarriage rates have greatly increased. Though the social security law treats equally men and women with the same work and earnings record, modifications should be made in the law to better relate to these changing work and family patterns.

Revival of Exploitation

Guest Worker Scheme Scored As Throwback to Bracero Era

THE ADMINISTRATION'S guest worker plan was branded a "camouflaged revival" of the discredited bracero program by Jack Otero, executive vice chairman of the Labor Council for Latin American Advancement.

"We don't need to import workers at a time when 10 million Americans are out of work, looking for jobs," Otero declared. He pointed out that the bracero program, after which the Administration's guest worker scheme is patterned, put "severe strains on the relations between Mexico and the United States" as it let "unscrupulous employers fatten their purses" through the exploitation of imported Mexican workers, who were often treated "like slaves."

THE NATION'S first priority should be jobs for U.S. citizens and legal alien residents, Otero stressed on Labor News Conference.

Otero, a vice president of the Railway & Airline Clerks, agreed that both the substance and the enforcement of U.S. immigration laws should be upgraded. But he emphasized that those changes must be "humane, fair and consistent with the interests of American workers," as well as those who come here "looking for the opportunity to improve themselves economically and socially."

He said the "best way to end illegal immigration is to demagnetize the magnet, which is the job source." He noted that the AFL-CIO concurs wholeheartedly with the recommendation of the Select Committee on Immigration & Refugee Policy, created by Congress to study the current statutes and policies, that U.S. employers who hire illegal immigrants be subject to civil penalties, with criminal penalties for repeated willful violations of the law.

Such employer sanctions, he said, must be coupled with an effective system for employers to determine the status of job applicants, such as "nonforgeable social security cards" which would be available to every person looking for a job. He said that technology now makes it possible to make those cards counterfeit-proof, as is now done with security identification at the White House, the Pentagon and military installations.

Reporters questioning Otero on the AFL-CIO produced public affairs program were Doug Harbrecht of the Scripps-Howard Newspapers, and Susan Zachem of Press Associates, Inc.



By Press Associates, Inc.

WOMEN ARE IN the workforce to stay, as the trend of recent decades shows.

According to the most recent government figures, 58 percent of mothers with children under 18—some 18.4 million mothers—are in the labor force. Viewed another way, more than half the children under 18—about 38 million—have mothers who work outside the home.

When wives and mothers work, what happens to family life?

That question was examined in an article in the Labor Dept. publication Monthly Labor Review by Sar A. Levitan, director of the Center for Social Policy Studies, George Washington University, and Richard S. Belous, executive director, National Council on Employment Policy.

THE AUTHORS recognize that because women work doesn't mean they have rejected marriage. Marriage may be postponed until after a career is started, but marriage rates remain high. In fact, they write, "data show that economic downturns tend to postpone marriage because the parties cannot afford to establish a family or are concerned about rainy days ahead."

They also suggest the earning ability of women can make them more attractive as marriage partners, especially in view of the rising cost of buying a house and other economic realities.

Another fallacy about working women attacked by the authors is that there necessarily exists a cause-and-effect relationship between rising divorce rates and the number of working women.

While a working wife in an unhappy marriage may be more likely to divorce because of the ability to support herself, it also may be true that career interests for wives may act as a "safety valve" for feelings of being "caged" or "shackled to the house," which are reasons for divorce for some couples. Wives' earnings also may alleviate financial strains in a marriage.

"WORK AND MARRIAGE can go together to create a stronger and more stable union," depending on the attitudes of both husband and wife, the authors conclude.

A point very clearly made is that although women work for a variety of reasons, such as career fulfillment, the overwhelming reason is economic in nature. Even in two-earner households, inflationary pressures and sluggish gains in workers' real earnings can make wives' earnings the difference between financial stability and instability.

At the start of the 1970s, nearly one in ten families was headed by a woman. As of March 1981, one of every six families was maintained by a woman who was either divorced, separated, widowed or never married.

The most pressing problem in female-headed families is that they are five times more likely to have incomes below the poverty level than married couple families, the data show. However, there also is some indication that the status of women as single parents is temporary. Studies over a ten-year period found that during the first five years as many as 16 percent of all adult women sampled were heading a household. However, only 9 percent were household heads for the entire period.

AS THE AUTHORS and other observers agree, most Americans live in families and probably will continue to do so.

However, the family form is changing from the American "ideal" of a working husband with a wife staying at home with the children, and this seems to be where controversy arises.

Studies brought to light during the 1980 White House Conference on Families indicated the American family form probably rarely throughout the nation's history conformed to the ideal. Rather, the family form fluctuated over different periods of economic and social change.



THE GUEST WORKER scheme pushed by the Reagan Administration is merely a version of the discredited and harmful bracero program that was abandoned in the early Sixties, Jack Otero, center, executive vice chairman of the Labor Council for Latin American Advancement, charged. He was questioned on Labor News Conference by Susan Zachem of Press Associates, Inc., and Doug Harbrecht of the Scripps-Howard Newspapers. The program is aired over Mutual radio.

House Rollcalls on Funding Resolution

The House on Nov. 22 sought to provide for the funding of government programs through a resolution that President Reagan subsequently vetoed.

Column I *shows the 213-183 vote to include in the resolution an additional pay raise for non-striking air traffic controllers, as urged by the Administration. This bypassed scheduled committee hearings that would have allowed exploration of all issues involved in the PATCO dispute. The pay bonus, ironically, was nullified by Reagan's veto. Voting right (R) were 181 Democrats and 2 Republicans. Voting wrong (W) were 41 Democrats and 172 Republicans.*

Column II *shows the 215-184 rejection of a Republican motion to send the budget stopgap legislation back to committee in order to slash billions more from the emergency appropriations bill. Labor's position was supported by 215 Democrats, opposed by 175 Republicans and 9 Democrats.*

Numerals show congressional districts. A—absent; PR—paired right; PW—paired wrong; P—present but not voting or paired.

	I	II
ALABAMA		
1. Edwards (R)	W	W
2. Dickinson (R)	W	W
3. Nichols (D)	W	R
4. Bevill (D)	R	R
5. Flippo (D)	R	R
6. Smith (R)	W	W
7. Shelby (D)	W	W
ALASKA		
AL Young (R)	A	W
ARIZONA		
1. Rhodes (R)	W	W
2. Udall (D)	R	R
3. Stump (D)	W	W
4. Rudd (R)	W	W
ARKANSAS		
1. Alexander (D)	R	R
2. Bethune (R)	W	W
3. Hammerschmidt(R)	W	W
4. Anthony (D)	R	R
CALIFORNIA		
1. Chappie (R)	W	W
2. Clausen (R)	W	W
3. Matsui (D)	R	R
4. Fazio (D)	R	R
5. Burton, John (D)	R	R
6. Burton, Phillip (D)	A	A
7. Miller (D)	R	R
8. Dellums (D)	R	R
9. Stark (D)	R	R
10. Edwards (D)	R	R
11. Lantos (D)	A	A
12. McCloskey (R)	A	A
13. Mineta (D)	R	R
14. Shumway (R)	W	W
15. Coelho (D)	R	R
16. Panetta (D)	R	R
17. Pashayan (R)	W	W
18. Thomas (R)	W	W
19. Lagomarsino (R)	W	W
20. Goldwater (R)	A	A
21. Fiedler (R)	W	W
22. Moorhead (R)	W	W
23. Beilenson (D)	R	R
24. Waxman (D)	R	R
25. Roybal (D)	R	R
26. Rousselot (R)	W	W
27. Dornan (R)	A	A
28. Dixon (D)	R	R
29. Hawkins (D)	R	R
30. Danielson (D)	R	R
31. Dymally (D)	R	R
32. Anderson (D)	W	R
33. Grisham (R)	W	W
34. Lungren (R)	W	W
35. Dreier (R)	W	W
36. Brown (D)	R	R
37. Lewis (R)	W	W
38. Patterson (D)	R	R
39. Dannemeyer (R)	W	W
40. Badham (R)	W	W
41. Lowery (R)	W	W
42. Hunter (R)	W	W
43. Burgener (R)	W	W
COLORADO		
1. Schroeder (D)	R	R
2. Wirth (D)	R	R
3. Kogovsek (D)	R	R
4. Brown (R)	W	W
5. Kramer (R)	A	W
CONNECTICUT		
1. Vacancy		
2. Gejdenson (D)	R	R
3. DeNardis (R)	W	W
4. McKinney (R)	W	W
5. Ratchford (D)	R	R
6. Moffett (D)	R	R
DELAWARE		
AL Evans (R)	W	W
FLORIDA		
1. Hutto (D)	R	R
2. Fuqua (D)	A	A
3. Bennett (D)	W	R
4. Chappell (D)	R	R
5. McCollum (R)	W	W
6. Young (R)	W	W
7. Gibbons (D)	W	R
8. Ireland (D)	W	W
9. Nelson (D)	W	R
10. Bafalis (R)	W	W
11. Mica (D)	W	R
12. Shaw (R)	W	W
13. Lehman (D)	R	R
14. Pepper (D)	R	R
15. Fascell (D)	R	R
GEORGIA		
1. Ginn (D)	R	R
2. Hatcher (D)	R	R
3. Brinkley (D)	W	R
4. Levitas (D)	W	R
5. Fowler (D)	R	R
6. Gingrich (R)	W	W
7. McDonald (D)	W	W
8. Evans (D)	R	R
9. Jenkins (D)	R	R
10. Barnard (D)	W	R
HAWAII		
1. Heftel (D)	R	R
2. Akaka (D)	R	R
IDAHO		
1. Craig (R)	W	W
2. Hansen (R)	A	A
ILLINOIS		
1. Washington (D)	R	R
2. Savage (D)	R	R
3. Russo (D)	R	R
4. Derwinski (R)	W	W
5. Fary (D)	R	R
6. Hyde (R)	W	W
7. Collins (D)	R	R
8. Rostenkowski (D)	R	R
9. Yates (D)	R	R
10. Porter (R)	W	W
11. Annunzio (D)	R	R
12. Crane, Philip (R)	W	W
13. McClory (R)	W	W
14. Erlenborn (R)	W	W
15. Corcoran (R)	W	W
16. Martin (R)	W	W
17. O'Brien (R)	W	W
18. Michel (R)	W	W
19. Railsback (R)	W	W
20. Findley (R)	W	W
21. Madigan (R)	A	PW
22. Crane, Dan (R)	A	A
23. Price (D)	R	R
24. Simon (D)	A	A
INDIANA		
1. Benjamin (D)	R	R
2. Fithian (D)	R	R
3. Hiler (R)	W	W
4. Coats (R)	W	W
5. Hillis (R)	A	A
6. Evans (D)	R	R
7. Myers (R)	A	PW
8. Deckard (R)	W	W
9. Hamilton (D)	W	R
10. Sharp (D)	A	R
11. Jacobs (D)	R	R
IOWA		
1. Leach (R)	W	W
2. Tauke (R)	A	A
3. Evans (R)	W	W
4. Smith (D)	R	R
5. Harkin (D)	R	R
6. Bedell (D)	R	R
KANSAS		
1. Roberts (R)	W	W
2. Jeffries (R)	W	W
3. Winn (R)	A	PW
4. Glickman (D)	W	R
5. Whittaker (R)	W	W
KENTUCKY		
1. Hubbard (D)	R	R
2. Natcher (D)	R	R
3. Mazzoli (D)	W	R
4. Snyder (R)	W	W
5. Rogers (R)	W	W
6. Hopkins (R)	W	W
7. Perkins (D)	R	R
LOUISIANA		
1. Livingston (R)	W	W
2. Boggs (D)	R	R
3. Tauzin (D)	W	R
4. Roemer (D)	W	W
5. Huckaby (D)	R	R
6. Moore (R)	W	W
7. Breaux (D)	W	R
8. Long (D)	R	R
MAINE		
1. Emery (R)	W	W
2. Snowe (R)	W	W
MARYLAND		
1. Dyson (D)	R	R
2. Long (D)	R	R
3. Mikulski (D)	R	R
4. Holt (R)	W	W
5. Hoyer (D)	R	R
6. Byron (D)	W	R
7. Mitchell (D)	R	R
8. Barnes (D)	R	R
MASSACHUSETTS		
1. Conte (R)	W	W
2. Boland (D)	W	R
3. Early (D)	R	R
4. Frank (D)	R	R
5. Shannon (D)	R	R
6. Mavroules (D)	R	R
7. Markey (D)	R	R
8. O'Neill (D)	Speaker	
9. Moakley (D)	R	R
10. Heckler (R)	W	W
11. Donnelly (D)	R	R
12. Studds (D)	R	R
MICHIGAN		
1. Conyers (D)	R	R
2. Pursell (R)	R	W
3. Wolpe (D)	R	R
4. Siljander (R)	W	W
5. Sawyer (R)	W	W
6. Dunn (R)	W	W
7. Kildee (D)	R	R
8. Traxler (D)	R	R
9. Vander Jagt (R)	W	PW
10. Albosta (D)	R	R
11. Davis (R)	W	W
12. Bonior (D)	R	R
13. Crockett (D)	R	R
14. Hertel (D)	R	R
15. Ford (D)	R	R
16. Dingell (D)	R	R
17. Brodhead (D)	R	R
18. Blanchard (D)	R	R
19. Broomfield (R)	W	W
MINNESOTA		
1. Erdahl (R)	W	W
2. Hagedorn (R)	A	A
3. Frenzel (R)	W	W
4. Vento (D)	R	R
5. Sabo (D)	R	R
6. Weber (R)	W	W
7. Stangeland (R)	W	W
8. Oberstar (D)	R	R
MISSISSIPPI		
1. Whitten (D)	R	R
2. Bowen (D)	W	R
3. Montgomery (D)	W	R
4. Dowdy (D)	R	R
5. Lott (R)	W	W
MISSOURI		
1. Clay (D)	R	R
2. Young (D)	R	R
3. Gephardt (D)	R	R
4. Skelton (D)	R	R
5. Bolling (D)	A	A
6. Coleman (R)	W	W
7. Taylor (R)	W	W
8. Bailey (R)	W	W
9. Volkmer (D)	R	R
10. Emerson (R)	W	W
MONTANA		
1. Williams (D)	R	R
2. Marlenee (R)	W	W
NEBRASKA		
1. Bereuter (R)	W	W
2. Daub (R)	W	W
3. Smith (R)	W	W
NEVADA		
AL Santini (D)	A	A
NEW HAMPSHIRE		
1. D'Amours (D)	R	R
2. Gregg (R)	W	W
NEW JERSEY		
1. Florio (D)	R	R
2. Hughes (D)	A	A
3. Howard (D)	R	R
4. Smith (R)	W	W
5. Fenwick (R)	W	W
6. Forsythe (R)	W	W
7. Roukema (R)	W	W
8. Roe (D)	R	R
9. Hollenbeck (R)	R	W
10. Rodino (D)	R	R
11. Minish (D)	R	R
12. Rinaldo (R)	W	W
13. Courter (R)	W	W
14. Guarini (D)	R	R
15. Dwyer (D)	R	R
NEW MEXICO		
1. Lujan (R)	W	W
2. Skeen (R)	W	W
NEW YORK		
1. Carney (R)	W	W
2. Downey (D)	R	R
3. Carman (R)	W	W
4. Lent (R)	W	W
5. McGrath (R)	W	W
6. LeBoutillier (R)	W	W
7. Addabbo (D)	R	R
8. Rosenthal (D)	R	R
9. Ferraro (D)	R	R
10. Biaggi (D)	A	PR
11. Scheuer (D)	R	R
12. Chisholm (D)	A	PR
13. Solarz (D)	R	R
14. Richmond (D)	R	R
15. Zeferetti (D)	R	R
16. Schumer (D)	R	R
17. Molinari (R)	W	W
18. Green (R)	W	W
19. Rangel (D)	R	R
20. Weiss (D)	R	R
21. Garcia (D)	R	R
22. Bingham (D)	R	R
23. Peyser (D)	R	R
24. Ottinger (D)	R	R
25. Fish (R)	W	W
26. Gilman (R)	W	W
27. McHugh (D)	R	R
28. Stratton (D)	W	R
29. Solomon (R)	W	W
30. Martin (R)	W	W
31. Mitchell (R)	W	W
32. Wortley (R)	W	W
33. Lee (R)	W	W
34. Horton (R)	W	W
35. Conable (R)	W	W
36. LaFalce (D)	R	R
37. Nowak (D)	R	R
38. Kemp (R)	W	W
39. Lundine (D)	R	R
NORTH CAROLINA		
1. Jones (D)	A	A
2. Fountain (D)	W	R
3. Whitley (D)	R	R
4. Andrews (D)	W	R
5. Neal (D)	R	R
6. Johnston (R)	W	W
7. Rose (D)	A	A
8. Hefner (D)	R	R
9. Martin (R)	W	W
10. Broyhill (R)	W	W
11. Hendon (R)	W	W
NORTH DAKOTA		
AL Dorgan (D)	R	R
OHIO		
1. Gradison (R)	W	W
2. Luken (D)	W	W
3. Hall (D)	R	R
4. Oxley (R)	P	R
5. Latta (R)	W	W
6. McEwen (R)	W	W
7. Brown (R)	W	W
8. Kindness (R)	W	W
9. Weber (R)	W	W
10. Miller (R)	W	W
11. Stanton (R)	W	W
12. Shamansky (D)	W	R
13. Pease (D)	R	R
14. Seiberling (D)	R	R
15. Wylie (R)	W	W
16. Regula (R)	W	W
17. Ashbrook (R)	W	W
18. Applegate (D)	W	R
19. Williams (R)	A	A
20. Oakar (D)	R	R
21. Stokes (D)	R	R
22. Eckart (D)	R	R
23. Mottl (D)	W	W
OKLAHOMA		
1. Jones (D)	A	A
2. Synar (D)	R	R
3. Watkins (D)	R	R
4. McCurdy (D)	W	R
5. Edwards (R)	W	W
6. English (D)	W	R
OREGON		
1. AuCoin (D)	A	PR
2. Smith (R)	W	W
3. Wyden (D)	R	R
4. Weaver (D)	R	R
PENNSYLVANIA		
1. Foglietta (D)	R	R
2. Gray (D)	R	R
3. Smith (D)	R	R
4. Dougherty (R)	W	W
5. Schulze (R)	W	W
6. Yatron (D)	R	R
7. Edgar (D)	R	R
8. Coyne, James (R)	W	W
9. Shuster (R)	W	W
10. McDade (R)	W	W
11. Nelligan (R)	W	W
12. Murtha (D)	R	R
13. Coughlin (R)	W	W
14. Coyne, William (D)	R	R
15. Ritter (R)	W	W
16. Walker (R)	W	W
17. Ertel (D)	R	R
18. Walgren (D)	R	R
19. Goodling (R)	W	W
20. Gaydos (D)	R	R
21. Bailey (D)	R	R
22. Murphy (D)	R	R
23. Clinger (R)	W	W
24. Marks (R)	W	W
25. Atkinson (R)	W	W
RHODE ISLAND		
1. St Germain (D)	R	R
2. Schneider (R)	W	W
SOUTH CAROLINA		
1. Hartnett (R)	W	W
2. Spence (R)	W	W
3. Derrick (D)	R	R
4. Campbell (R)	W	W
5. Holland (D)	R	R
6. Napier (R)	W	W
SOUTH DAKOTA		
1. Daschle (D)	R	R
2. Roberts (R)	W	W
TENNESSEE		
1. Quillen (R)	W	W
2. Duncan (R)	A	A
3. Bouquard (D)	R	R
4. Gore (D)	R	R
5. Boner (D)	R	R
6. Beard (R)	W	W
7. Jones (D)	R	R
8. Ford (D)	R	R
TEXAS		
1. Hall, Sam (D)	R	R
2. Wilson (D)	W	R
3. Collins (R)	W	W
4. Hall, Ralph (D)	W	W
5. Mattox (D)	A	PR
6. Gramm (D)	W	W
7. Archer (R)	W	W
8. Fields (R)	W	W
9. Brooks (D)	R	R
10. Pickle (D)	R	W
11. Leath (D)	W	R
12. Wright (D)	R	R
13. Hightower (D)	W	R
14. Patman (D)	W	R
15. de la Garza (D)	R	R
16. White (D)	W	R
17. Stenholm (D)	W	R
18. Leland (D)	R	R
19. Hance (D)	R	R
20. Gonzalez (D)	R	R
21. Loeffler (R)	W	W
22. Paul (R)	A	A
23. Kazen (D)	R	R
24. Frost (D)	R	R
UTAH		
1. Hansen (R)	W	W
2. Marriott (R)	W	W
VERMONT		
AL Jeffords (R)	W	W
VIRGINIA		
1. Trible (R)	W	W
2. Whitehurst (R)	W	W
3. Bliley (R)	W	W
4. Daniel, Robert (R)	W	W
5. Daniel, Dan (D)	W	R
6. Butler (R)	W	W
7. Robinson (R)	W	W
8. Parris (R)	W	W
9. Wampler (R)	A	PW
10. Wolf (R)	W	W
WASHINGTON		
1. Pritchard (R)	W	W
2. Swift (D)	R	R
3. Bonker (D)	R	R
4. Morrison (R)	W	W
5. Foley (D)	R	R
6. Dicks (D)	R	R
7. Lowry (D)	R	R
WEST VIRGINIA		
1. Mollohan (D)	A	PR
2. Benedict (R)	W	W
3. Staton (R)	W	W
4. Rahall (D)	R	R
WISCONSIN		
1. Aspin (D)	A	A
2. Kastenmeier (D)	W	R
3. Gunderson (R)	W	W
4. Zablocki (D)	R	R
5. Reuss (D)	A	A
6. Petri (R)	W	W
7. Obey (D)	R	R
8. Roth (R)	A	A
9. Sensenbrenner (R)	W	W
WYOMING		
AL Cheney (R)	W	W

ILPA Competition

Awards Cite Progress In Union Use of Media

New York—Winners in the International Labor Press Association's newly inaugurated film and broadcast communications competition were announced in a special ceremony at ILPA's biennial convention here. Awards also were formally presented to winners, announced earlier this year, of ILPA's journalistic awards competition for union publications.

Judges selected a total of 27 award winners from 106 entries in ILPA's first electronic communications contest. The competition was established by ILPA's executive council to reward achievement in film, radio and television communications; enlarge the labor movement's knowledge of resources available in these media, and encourage their greater use by labor organizations.

THE COUNCIL termed the first competition "a clear success" and will consider running it again during 1983.

In the annual competition for union journals, 106 winners were named from 1,095 entries.

C. V. Glines, editor of the Air Line Pilot, was given the Max Steinbock Award. The prize, named for the late president of ILPA, honors "the best journalistic effort which exemplifies a humanistic spirit." Glines won the award for his story, "A Matter of Heart and Conscience," which describes efforts by ALPA members to aid a number of aged and disabled pilots facing severe economic hardship.

JUDGES OF the electronic communications contest included: Jackie Kienzle, assistant director of the AFL-CIO Dept. of Education; Mark Harrad, director of public information, Public Broadcasting Service; Carmella LaSpada, board chairperson of No Greater Love; Harry Matthews, director of the Labor Institute for Human Enrichment, AFL-CIO Dept. for Professional Employees; Sid Brechner, broadcast engineer for the AFL-CIO; Walter Davis, director of public relations for the Food & Commercial Workers; Harry Conn, president of Press Relations Wire; John Stagg, education director of the Graphic Arts International Union, and Ronia Garnicki, staff assistant of the Bakery, Confectionery & Tobacco Workers.

The publication awards were judged by Cheryl Arvidson, reporter for the Cox Newspapers; William Eaton, reporter for the Los Angeles Times; Frank Swoboda, reporter for the Washington Post. The judges' committee was chaired by Al Herling, former editor of the Bakery, Confectionery & Tobacco Workers News and a past ILPA president.

TOP WINNERS in the film and broadcast competition were: Film Strips & Slide Shows, "The Energy Factory," State, County & Municipal Employees District Council 37, New York; Radio Documentaries, "Voice of Labor," Kansas City Labor Beacon, Greater Kansas City Central Labor Council; Informative Radio Commercials, "Kids" and "Just a Teacher," Chicago Teachers Union, and "Union Label Series," Ladies' Garment Workers; Issue-Oriented Radio Commercials, "Working Men & Women for a Change in Leadership," Ohio AFL-CIO; Informative Television Commercials, "Building America's Future," Carpenters; Films and Television Programs, independently produced, "Farewell, Etaoin Shrdlu," David Loeb Weiss, producer, Typographical Union Local 6, New York, sponsor; Films for Internal Education, "Moving Mountains," Steelworkers; Films for External Education, "Strength Through Struggle," Ohio AFL-CIO.

Special commendations were awarded by the ILPA executive council at the recommendation of the judges to "Stewards Training Program" of the Communications Workers for overall quality and excellence, and the ILGWU's "Look for the Union Label" television and radio spots for outstanding achievement in labor's public communications.

In the publications competition, top winners in the overall excellence categories were:

International and national unions — newspapers of 100,000 or more circulation: IUE News, International Union of Electrical, Radio & Machine Workers; magazines of 100,000 or more circulation: American Educator, AFT; newspapers of less than 100,000 circulation: The Guild Reporter, Newspaper Guild; magazines of less than 100,000 circulation: IUD Viewpoint, AFL-CIO Industrial Union Dept.; newsletters: SEIU Leadership News UPDATE, Service Employees.

State and local central body—17 or more issues a year, California AFL-CIO News; fewer than 17 issues per year: Ontario Labor.

Local unions—15,000 or more circulation: Union Leader, Local 400, Food & Commercial Workers, Landover, Md.; 7,500 to 15,000 circulation: Local 285 Reporter, SEIU Local 285, Boston; 2,500 to 7,500 circulation: The Washington Teacher, AFT Local 6, Washington, D.C.; less than 2,500 circulation: Fanfare, Musicians Local 99, Portland, Ore.; machine-duplicated publications, The Guardian, AFSCME Local 2830, Washington, D.C.

Regional publications — Over 20,000 circulation: Bay State Employee, AFSCME District Council 93, Boston; less than 20,000 circulation: MFT Action, Minnesota Federation of Teachers, St. Paul.



FIRST AWARD for achievement in films for public education in the International Labor Press Association's first electronic media communications contest is presented by ILPA President James Cesnik, left, to Ohio AFL-CIO Public Relations Director John Thomas. The state federation was honored for its labor history film, "Strength Through Struggle," in ceremonies held during the ILPA's convention in New York.

Television Networks Accused Of Distorting Labor's Image

A study conducted by three AFL-CIO affiliates accuses the nation's major television networks of neglecting the interests of union members and portraying them and their unions in a negative way.

The one exception is CBS's "Lou Grant Show," which casts unions "in a realistic light, and does an outstanding job in helping to educate viewers to the often complex world of collective bargaining." Actor Ed Asner, who plays the show's title role, was elected president of the Screen Actors Guild last month.

Conducted by members of the Machinists, Operating Engineers, and the Bakery, Confectionery & Tobacco Workers, the study found that even the newscasts deemed fairest—NBC's Evening News—favored corporate or big business positions on major issues over workers' views by a 3-to-1 margin.

THE STUDY rates network news programs on the nature and extent of coverage given to five major issues: inflation, medical care, job losses, tax reform, and energy. The networks varied on individual issues, but on an overall basis the study showed NBC favored a corporate view by a ratio of 31to-1, ABC 5-to-1, and CBS 6-to-1.

The Union Media Monitoring Project, as it is called, was the result of monitoring during April and May by 2,000 volunteers from the three unions in 36 states. Results of the project were announced by the three union presidents, William W. Winpisinger of the IAM, J. C. Turner of the IUOE, and John DeConcini of BC&T.

Turner said that TV "continues to ignore labor's contributions to the community and the nation. TV—the most powerful persuader and educator in the country—is guilty of presenting negative messages about workers and their unions, undermining our efforts to reverse America's growing concentration of wealth and power in the hands of a few."

Political Action Fund Set Up by Nebraska Labor

Omaha — Delegates to the Nebraska AFL-CIO's 24th convention voted to establish a special political action fund through a 5-cent increase in per capita payments to the state federation.

State AFL-CIO President Gordon L. McDonald said the fund will be used to promote legislative issues and labor-endorsed candidates. The per capita increase went into effect Oct. 1, raising monthly payments to 35 cents per member.

IN DRAFTING labor's agenda for the next session of the state legislature, the 250 convention delegates called for enactment of a measure providing for union dues checkoff rights with all private sector employers, improvements in workers' compensation and unemployment benefits, and the upgrading of public employee collective bargaining provisions.

The convention also affirmed support of striking Air Traffic Controllers and members of Steelworkers Local 7377 of Fremont, Neb., who have been on strike against Stormer, Inc. since mid-February.

In other action, delegates endorsed ratification of the Equal Rights Amendment and development of a state energy conservation program and called on local labor organizations to establish community service committees.

McDONALD, who has headed the state labor federation since 1979, was elected to his first full four-year term. Delegates also re-elected Sec.-Treas. Victor G. Meyers and the 12 incumbent executive board members, and elected Gerald Carpenter of the Transport Workers after expanding the board to 13 members.

Convention speakers included President William W. Winpisinger of the Machinists, Nebraska Gov. Charles Thone (R) and John H. Fanning of the National Labor Relations Board.

Social Security Slash Hits 400,000 Railroad Retirees

President Richard I. Kilroy of the Railway & Airline Clerks called on President Reagan for help in "rectifying" sharp cuts in the pension checks received by some 400,000 retired railroad workers.

Because of the congressional budget impasse, Kilroy said, the recipients of both railroad retirement and social security payments were faced with elimination of the social security portion of their payment in the Dec. 1 checks, as well as continuing cuts averaging between $20 and $30 a month on a permanent basis.

ELIMINATING the payment, Kilroy said, even "if only for a short period of time and three weeks before Christmas, is inhumane and violates the spirit and intent of the Railroad Retirement Act."

In a letter to Reagan voicing the union's concern about the pension situation, Kilroy cited elimination of the social security payment from the rail retirees' Dec. 1 check and a cut of 21 percent in the total of social security payments, effective last October, for retirees entitled to dual benefits, as clear evidence that some 400,000 retirees "have bceome victims of the budget process."

The group—which represents about 40 percent of those receiving railroad retirement benefits—comprises persons who also have worked outside the railroad industry and thus are eligible for social security.

Since 1975 the two payments have been linked in one monthly pension check, with the social security factor representing an average of about $100 a month in the combined benefit.

DESPITE THE government's commitment to these 400,000 people in 1974, the Office of Management & Budget and Congress have shared responsibility for appropriating less money than necessary to meet this obligation. With the beginning of fiscal 1982, these dual benefit payments were cut by an average of $20 to $30 a month. Now OMB has directed still further cuts of 12 percent in the pension checks.

'Guest Worker' Plan Assailed as Retreat on Gains

The foreign "guest worker" program advocated by the Reagan Administration would set back gains agricultural workers in the United States have made since the end of the infamous bracero program in 1964, the Farm Workers testified.

UFWA Legislative Rep. Stephanie Bower told the Senate Subcommittee on Immigration that only after the importation of Mexican nationals under the bracero program was abolished were farm workers "able to organize their own union and sign contracts."

Now that unionization on the farms is more widespread, she said, growers are looking for a guest worker program to find "a docile, controllable workforce."

Importation of temporary workers would add to unemployment, she testified, and especially curtail the job opportunities for minority youth in rural areas. "These teenagers should be able to work in their own surroundings at a decent wage," she urged, "and not have to migrate to the cities where there are already too many unemployed workers."

Court Rules in 2 Cases

Confidential Employees Protected by Labor Law

The Supreme Court agreed with labor's position in two important cases involving the rights of "confidential" employees under the National Labor Relations Act.

By a 5-4 margin, the high court ruled that a personal secretary whose work does not involve matters dealing with labor-management relations has the same protection of federal labor law as other workers.

IN A RELATED case, all nine justices joined in rejecting an appellate court's ruling that employees do not have the right of union representation if their work gives them access to business information their employer considers confidential.

Both cases had been decided by the 7th Circuit U.S. Court of Appeals in a way that would have led to the exclusion of thousands of workers the National Labor Relations Board has long held to be protected by federal labor law.

Because of their importance, the AFL-CIO filed a brief with the Supreme Court last June, and the points it made were largely adopted in the majority opinion, written by Justice William J. Brennan, Jr.

THE SPLIT decision came in a case involving a rural electric cooperative in Hendricks County, Ind. The general manager fired his secretary after she had joined other employees in signing a petition asking reinstatement of a worker who lost an arm in an on-the-job accident and was denied re-employment after he was able to resume work.

The NLRB found that the secretary was not involved in labor relations matters and therefore was protected against retaliation when she joined with other employees in a lawful "concerted activity."

In denying enforcement of the NLRB's reinstatement and back pay order, the appellate court relied on language in a 1974 Supreme Court decision involving the status of managerial employees of the Bell Aerospace Co.

BUT THE AFL-CIO argued, and the five justices in the majority agreed, that the footnote cited by the appellate court was not essential to the Bell Aerospace case, making it a non-binding "dictum," and was based on an erroneous assumption of the intent of Congress.

Justice Lewis F. Powell, Jr., who was the author of the Bell Aerospace decision, vigorously dissented, joined by Chief Justice Warren E. Burger, Justice William H. Rehnquist and the newest member of the Supreme Court, Justice Sandra Day O'Connor.

With Brennan in the majority opinion were Justices Byron R. White, Thurgood Marshall, Harry A. Blackmun and John Paul Stevens.

THE SUPREME COURT majority concluded that the NLRB's policy of excluding from bargaining units only confidential employees in jobs touching on labor relations "does indeed have a reasonable basis in law" and stems from the labor board's "understanding of the nature of the collective bargaining process."

The dissenters protested that the majority decision "tends to obliterate the line between management and labor."

The other case that was before the Supreme Court involved employees of the Malleable Iron Range Co. in Beaver Dam, Wis., who had voted for representation by Local 39 of the Office & Professional Employees.

THE COMPANY refused to bargain, claiming that 18 of the 64 employees in the unit should have been excluded because they had access to "confidential" business information. Those the company wanted excluded included a $3.50 an hour shipping clerk and a $6,400-a-year clerk who handled correspondence dealing with defective merchandise.

All nine Supreme Court justices agreed that the appellate court was wrong in accepting the company's claim that access to confidential business information deprives workers of labor law protection. Because the appellate court had not ruled on arguments the company had made that some of the employees should be excluded because they held "managerial" jobs, the case was sent back for consideration of those objections.

Chester Migden Leaving Screen Actors' Post

Los Angeles—Chester L. Migden, national executive secretary of the Screen Actors Guild since 1973, announced that he will leave SAG at the end of the year when his current contract expires. Migden has been with the Guild for 30 years, joining the SAG staff as assistant executive secretary in 1952 and becoming associate executive secretary in 1962.

SAG's board of directors named Kendall Orsatti to serve as acting national executive secretary until a replacement is appointed. Orsatti has headed the Guild's Hollywood office since 1973 and is an assistant national executive secretary.



STUDENT CONFERENCE exploring developments of trade union activities in Eastern Europe and the Soviet Union as world attention is focused on Poland was keynoted by Teachers President Albert Shanker. The New York conference was cosponsored by the Labor Desk of the U.S. Youth Council and Georgetown University's International Labor Program. Conferring with Shanker are, from left, Joe Ryan of Georgetown University and a member of the Young Social Democrats; Kim Pambro of Abdala, a Cuban youth liberation group, and at right, Carl Toth of Ladies' Garment Workers Local 23-25.

Domestic Content Law Urged To Save Auto-Related Jobs

Voluntary restrictions on Japanese auto imports haven't worked, and action by Congress to prevent a permanent wipeout of U.S. jobs and production is "long overdue," the AFL-CIO testified at Senate hearings.

Legislative Rep. Stephen Koplan said conditions in the auto industry and its supplier companies have worsened since last March, when the Subcommittee on Trade last held hearings on the issue.

AT THE TIME, he reminded the panel, the AFL-CIO and the Auto Workers had urged that Japanese auto imports be limited to 1.2 million cars in a 12-month period and that a phased-in domestic-content law be enacted so that automobiles assembled in the United States won't be primarily foreign-made. Labor also proposed a comparable quota on imports of auto parts.

Instead, Koplan noted, the Administration relied on a voluntary commitment by the Japanese to limit exports to 1.68 million passenger cars between April 1981 and April 1982, with adjustments thereafter.

The legislation that labor urged then is still urgently needed, Koplan testified. "The auto recession has worsened," he noted. Sales of U.S. cars are the lowest in 20 years, and the mid-November sales of General Motors, Ford and Chrysler were nearly 30 percent below a year ago.

The loss of jobs affects steelworkers, rubber workers, glass workers and scores of other occupations linked to the health of the automobile industry, Koplan stressed.

At the same time, he reminded the senators, the trade adjustment program that was supposed to cushion the job losses resulting from imports has been virtually wiped out by the wave of federal budget slashes.

Koplan cited the example of other nations that have imposed and enforced quotas on automobile imports and require that vehicles exempt from quotas be largely built as well as assembled in their countries.

BECAUSE THE United States imposes no such requirement, he noted, Japanese firms have established production facilities in other nations and often export the output from these plants to the United States.

"Imports, recession, tight money and lack of effective purchasing power continue to compound U.S. industry problems," Koplan stressed. Communities across the nation have been hurt by the loss of jobs and income. "Import monitoring and regulation are urgent necessities until the U.S. auto industry is on its feet," he insisted.

UAW Research Director Sheldon Friedman told the Senate subcommittee that American auto workers have "benefited relatively little" from the Japanese commitment to hold down imports.

SINCE 1978, he said, the hourly-paid workforce is down 19 percent at General Motors, 25 percent at Ford and 44 percent at Chrysler. An estimated 600,000 manufacturing jobs have disappeared from the "auto-related" sector, Friedman testified. And the number of workers on layoff "has been rising again."

Friedman told the panel that a local content law for motor vehicles sold in the United States would be the most effective single step to prevent "further disastrous loss of jobs . . . not only in motor vehicle assembly but in the many firms and industries which supply the auto industry."

Reagan Seeks to Salvage NLRB Choice

The Reagan Administration is trying to revive the President's nomination of John Van de Water for chairman of the National Labor Relations Board by bypassing the Senate committee with jurisdiction over the appointment.

Van de Water failed to win a majority on the Senate Labor & Human Resources Committee after hearings spotlighted his role as a management consultant in union-busting campaigns.

IN A LETTER to senators, the AFL-CIO charged that Van de Water's efforts to keep workers from organizing and to decertify unions already established "went to the very edge of the law and sometimes beyond."

Van de Water is serving as NLRB chairman under a presidential recess appointment, but an 8-8 tie vote in the Senate committee last month, defeating a motion to send the nomination to the Senate floor, had apparently killed his chances of confirmation.

The first attempt to revive the nomination was made by Senate Majority Leader Howard Baker (Tenn.), who introduced a resolution discharging the committee from further consideration of the nomination—a step that would bring the nomination directly to the Senate floor.

BAKER ASKED "for its immediate consideration," but Senate Democratic Leader Robert C. Byrd (W.Va.) objected "on behalf of senators on my side of the aisle."

Opponents of the nomination quickly let it be known that they are prepared to filibuster if necessary to keep the appointment from being revived.

A letter from committee members to their Senate colleagues noted that the Senate has never before discharged a committee for acting unfavorably on a nomination. The committee, which has a Republican majority, met its responsibility to conscientiously consider the nomination, they declared, and the effort to bypass it is unjustified.

AT A WHITE HOUSE news briefing, Deputy White House Press Sec. Larry Speakes said the Van de Water nomination had been "discussed" at the meeting President Reagan had with the AFL-CIO Executive Council. But he said the President considers Van de Water an "excellent" nominee and the White House is standing by the appointment.

After Baker's move to bypass the Labor & Human Resources Committee, AFL-CIO Legislative Director Ray Denison wrote senators urging them "not to support the effort to discharge the committee" and "not to support cloture" on the nomination. It requires the votes of 60 of the 100 senators to limit debate on a motion.

Because Van de Water "for many years made his living planning and leading anti-union campaigns," Denison wrote, he lacks the impartiality "required to serve as the head of the agency whose primary responsibility is to set the rules that govern employers and unions during representation campaigns."

Mediation Board Reports New High in Airline Cases

The National Mediation Board closed out a record 95 airline representation and mediation cases in fiscal year 1980, the agency said in its latest annual report.

The number was the largest since the airlines came under the agency's jurisdiction in 1936. The board also handles representation and collective bargaining disputes in the railroad industry.

Unions won 35 of the airline representation elections last year to gain or retain bargaining rights for 11,147 airline employees.

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Jobless Surge Tied to Reagan Policies

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8.4 Percent Rate Highest In Six Years

By James M. Shevis

The sharp rise in unemployment in November, to a six-year high of 8.4 percent, is further evidence that President Reagan's program "is not solving but aggravating the nation's economic and human crisis," the AFL-CIO charged.

"The Administration's promise of eventual 'long-run' recovery is hardly reassuring to the nine million Americans now jobless," Federation President Lane Kirkland said. "As the AFL-CIO Executive Council told the President earlier, it is time to adopt a new, anti-recession program that will ease hardship now and build toward a healthy economy."

IN THE LAST two months alone, unemployment has risen by more than one million persons, and the government's latest set of economic indicators points to a worsening of the recession, Kirkland observed.

Deputy White House Press Secretary Larry Speakes called rising joblessness "the price you have to pay for bringing down inflation," a statement which House Speaker Thomas P. O'Neill, Jr. (D-Mass.), termed "outrageous."

O'Neill charged that the President's January promise of an economic recovery program producing 13 million new jobs was "a cruel hoax."

The November increase of four-tenths of 1 percent in the nation's unemployment rate was the fourth consecutive monthly rise. The number of jobless workers jumped by 484,000 to a seasonally adjusted total of 9,004,000 in a labor force of 107 million.

THE NOVEMBER unemployment rate is the highest since May 1975, when at the height of the severe 1973-75 recession the jobless rate soared to 9 percent. At more than nine million, the number of unemployed workers is the highest since 1939, when almost 9.5-million people were out of work. Administration economists have said the unemployment rate could rise to 9 percent or higher before a hoped-for recovery begins in mid-1982.

The Bureau of Labor Statistics, which released the newest jobless figures, said unemployment last month affected most worker groups but was particularly pronounced among men. The rate for adult men rose from 6.7 to 7.2 percent over the month, just below the post-World War II high of 7.3 percent reached in May 1975.

The jobless rate for adult women went up from 7 to 7.3 percent while that for teenagers increased from 20.6 to 21.8 percent. The rate for white workers rose from 6.9 to 7.4 percent, while joblessness among blacks was unchanged at the record high of 15.5 percent reached in October.

(Continued on Page 3)

Hobbs Act Amendment Screens Anti-Union Bid



JOB CREATING PROGRAMS are needed to halt the deepening recession and rising unemployment caused by the Administration's economic policies, AFL-CIO Vice President John Lyons testifies before the Joint Economic Committee of Congress. He was accompanied by Rudy Oswald, director of the AFL-CIO Dept. of Economic Research. **(Story, Page 3.)**

Labor Hits Proposals As Unfair

By David L. Perlman

A bill that would make picket line misconduct a federal crime and send an offending striker to prison for up to 20 years is both unnecessary and unfair and would make the government an ally of employers in every labor dispute, the AFL-CIO testified.

Senate Judiciary Committee Chairman Strom Thurmond (R-S.C.) is sponsoring the anti-union amendment to the Hobbs Act, but the big push for his bill has come from the National Right to Work Committee through a television and advertising campaign linking unions with "violence."

AFL-CIO SPECIAL Counsel Laurence Gold told a Senate subcommittee that the attempt to tie unions to strike violence is as flawed as the Thurmond bill itself.

His testimony included documented refutations of "case histories" exploited by the Right to Work Committee. Rare and isolated instances of serious wrongdoing by strikers were in fact punished under local and state law, Gold stressed.

"Neither the AFL-CIO nor any of its affiliates condones picket line misconduct. Our unions do all in their power to prevent it," Gold testified. And "almost without exception," state and local authorities effectively deal with wrongdoing.

HE TERMED THE Right to Work Committee "an employer-financed front organization which supports neither rights nor workers."

Its support for the Thurmond bill, he

(Continued on Page 6)

Administration Pressure Hit

Revision of Price Index Draws Strong Protest

The AFL-CIO renewed its criticism of Administration pressures on the Bureau of Labor Statistics to revise its measurement of consumer prices. And it urged Congress to restore budget cuts so that BLS can continue to compile economic data important to collective bargaining.

Reliable labor statistics take on special importance as the nation slips deeper into recession, AFL-CIO Research Director Rudy Oswald stressed at House hearings.

The Reagan Administration's tampering with the consumer price index and its "budgetary starvation" of BLS data-collecting programs is weakening the nation's ability to understand and deal with inflation, he warned.

Oswald and other union witnesses testified before two House subcommittees to labor's strong disagreement with the BLS decision to eliminate home ownership costs from the consumer price index calculations.

The BLS has announced that it will substitute a "rental equivalence" measurement of housing costs. The change would be made in January 1983 for the broadest of the consumer price indexes and in 1985 for the key CPI-W. The latter is the index generally used to calculate wage and benefit increases due under cost-of-living provisions of union contracts and government entitlement programs, including social security.

ONE UNION, the Steelworkers, estimates that if the CPI change had been in effect in recent years, its members would have been shortchanged about 75 cents an hour in cost-of-living adjustments.

Oswald told a House Budget Committee task force and a Labor-Management Relations subcommittee that it "strains credulity" to swallow the claim that the change wasn't motivated in large part by the Administration's desire to hold down federal spending on entitlement programs and show a lower inflation rate.

(Continued on Page 6)

Latest Deficit Projections Explode Supply-Side Myth

Massive federal budget deficits now projected by the Reagan Administration over the next few years demonstrate "the myth of supply-side economics," AFL-CIO Research Director Rudy Oswald declared.

The ballooning of the Office of Management & Budget's deficit projections to more than $160 billion by 1984 stung the Administration, which had promised a balanced federal budget by that year if its economic policies were adopted.

"JUST SIX MONTHS after selling the country an economic package of hocus-pocus, the architects of that program admit that it has no hope of producing the results that they promised," Oswald said.

Those results included creation of jobs, substantial economic growth and a balanced federal budget by 1984, Oswald noted. He scored the Administration for clinging to its policies in the face of the evidence and seeking to "inflict more of the same budget cuts that have been part and parcel of their bankrupt policy."

He said the current unemployment of nine million workers "already gives testimony to the suffering inflicted by Reaganomics."

The announcement of the revised deficit projections revealed some disarray within the inner circles of the Administration as the White House quickly denied statements by members of the President's Council of Economic Advisers suggesting that federal budget deficits are not the root of all infla-

(Continued on Page 2)

Reagan's PATCO Decision Called 'Disappointment'

The AFL-CIO expressed "disappointment" at President Reagan's decision to permit federal agencies to hire striking Air Traffic Controllers he fired in August —but not at their old jobs.

Federal Aviation Administrator Drew Lewis announced that Regan is lifting the ban on hiring PATCO strikers with the stipulation that they will not be allowed to return to the air traffic control positions.

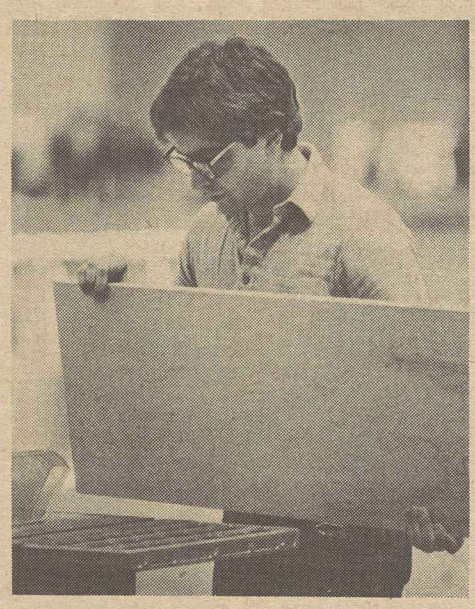
"This is not a holiday gift," Lewis said, adding that any former controller applying for a federal job will be investigated to determine his or her role in the strike which began Aug. 3.

In expressing the federation's disap-

(Continued on Page 3)







TOP WINNERS were determined in the Carpenters annual apprenticeship competition finals held in Denver, which drew 80 finalists from among some 60,000 UBC apprentices in the United States and Canada. Daniel Halsey of Local 1235 in Turlock, Calif. (top photo), is congratulated by UBC Secretary John Rogers, left, Board Member M. B. Bryant and First Vice President Patrick Campbell. Working on their projects are (left photo) millwright division winner Floyd A. Collier of Local 2834, Denver, and mill-cabinet division winner Edward Fisher of Local 1328, Vancouver, B.C.

Supreme Court Lets Stand Liability Ruling on Asbestos

The Supreme Court steered away from a dispute over which insurance companies should pay damage claims to workers for asbestos-related illness.

Without comment, the justices declined to review decisions of two appellate courts that upheld a so-called "exposure" theory on financial liability for the claims.

THE 5TH AND 6TH U.S. Circuit Courts of Appeals ruled that all insurance firms that had provided coverage to a company when its workers were exposed to the cancer-causing substance were liable in proportion to the period of time their policies were in force.

Several major insurance carriers affected by the appellate court rulings had asked the justices to decide in favor of the "manifestation" theory—suggesting that insurance liability begins only when the disease is first detected.

Exposure to asbestos on the job can lead to several serious diseases, including lung cancer, asbestosis and mesothelioma, a cancer of the chest cavity. These diseases may not be detected for as long as 20 years after initial exposure to asbestos.

A NUMBER of federal courts have adopted rulings that conflict with the decisions of the 5th and 6th Circuits. These cases may come before the Supreme Court later.

The issue is particularly significant to the insurance industry which may eventually have to pay billions of dollars in damage claims to workers and consumers over asbestos-related diseases in more than 20,000 pending lawsuits.

The appeals that the justices denied were filed by the Insurance Co. of North America and Liberty Mutual, which had been held jointly liable for coverage of workers of an Illinois manufacturer of asbestos-containing products, and Aetna Casualty & Surety, which had to pay a share of a $155,000 verdict awarded to the family of a worker who died from asbestosis.

THE HIGH COURT also refused to review a 9th Circuit court decision holding that the religious accommodation provision of Title VII of the 1964 Civil Rights Act exempts members of certain faiths from the obligation to pay union dues or a service fee.

The case stemmed from a union security clause in a 1976 contract between Steelworkers Local 8141 and Martin-Marietta Corp. in The Dalles, Ore., which involved three Seventh Day Adventists.

Because of their religious tenets, the three church members offered to pay an amount equal to union dues to a charity acceptable to the union in order to retain their jobs in the plant.

In rejecting the petition for review, the justices declined to hear the USWA local's argument that Congress intended that the matter of religious objections to union dues come under the National Labor Relations Act rather than the Civil Rights Act. The union also contended that the Title VII provision violates the First Amendment by singling out a certain group of citizens for special economic benefit on religious grounds.

IN OTHER ACTION, the Supreme Court agreed to review the liability of a union to pay a Postal Service employee from Lynchburg, Va., who claimed he wasn't properly represented by the Postal Workers in his grievance.

The worker was discharged in 1976 following a scuffle with a fellow employee. Although the APWU pursued the case through the grievance process, it was abandoned when the contractual time limit for arbitration expired. A federal district court ruled that the union should pay a portion of the lost wages. The 4th Circuit court later held that only the Postal Service should be liable for the lost wages.

Social Security Cuts Opposed

Conference on Aging Shapes Positive Goals

Administration efforts to manipulate the 1981 White House Conference on Aging backfired as delegates fought back to support social security and other key social programs for older Americans and their families.

An emotionally charged showdown in the most controversial of the 14 conference committees led to a compromise resolution maintaining social security protection. AFL-CIO Social Security Director Bert Seidman joined Chairman Claude Pepper of the House Committee on the Aging in negotiations leading to the accommodation.

MEMBERS OF at least five other committees took time from assigned missions to rally around social security when they perceived it to be endangered by "mystery delegates" assigned to the conference only five or six weeks before it opened.

The final product of the conference was a summary of more than 600 resolutions calling for continued or greater federal response to the needs and talents of this nation's elderly population.

"To sum it up," Seidman said, "the conference came out on the whole with constructive recommendations which if followed will work to the benefit of older persons and the rest of society. Despite the extraordinary efforts of the Reagan Administration, conferees over and over again repudiated its policies."

A statement by the Leadership Council of Aging Organizations (LCAO) reached a similar conclusion. It found "remarkably positive tone and content in the majority of resolutions adopted in all but a few of the committees."

THE LCAO ALSO noted that the bulk of resolutions were either drawn from or are in harmony with the "8 for '80s" statement adopted by the AFL-CIO and 24 other members of the LCAO. This statement set forth eight broad goals, including continuing commitment to social security and endorsement of a national health plan serving all age groups.

Delegates assigned to the conference's health committee endorsed a resolution calling for a continuing search for a national health care plan. They also urged expansion of Medicare to cover out-patient prescription drugs, eye examinations, foot care, routine dental care, dental prosthetics and hearing aids. A change in Medicare-Medicaid policy to encourage greater use of non-institutional care was approved, together with another calling for expansion of mental health services for older adults.

Key resolutions presented by committees to the 2,200 delegates also included calls for:

- Interfund borrowing among the social security trust funds to meet short-term financing needs.
- Restoration of the social security minimum benefit for present and future beneficiaries.
- An increase in supplementary security income payments to at least the official poverty level.
- Earlier vesting and greater portability of individual pension rights.
- Prospective reimbursement under Medicare and Medicaid to institutions and practitioners as one means of promoting better cost accountability and better services.
- A national social policy for long-term care, based on a comprehensive data base with actuarial information and financial underwriting, together with a comprehensive national health plan which would include a long-term care community-based health system.
- At least 200,000 units of housing for the elderly to be provided "within all levels of the government and the private sector."

SOCIAL SECURITY took center stage soon after the conference's committee work began.

The first committee resolution—offered by a delegate later identified as an Orange County, Calif., official and former Reagan aide—opposed any use of general revenue funds to finance social security.

This maneuver confirmed misgivings expressed at a rally held by LCAO on the eve of the conference. At another rally, mid-way in the conference, dozens of speakers denounced the conduct of the conference and the negative resolution on general revenues.

PEPPER AGREED to lead a delegation to protest the controversial resolution. Before the protest could be conveyed, however, Conference Director Betty Brake asked Pepper and later other LCAO leaders including Seidman and National Council of Senior Citizens President Jacob Clayman, to join in negotiating what became a compromise resolution opposing any reduction in benefits being paid current social security recipients.

The resolution recommended "that Congress and the Administration make every possible and fiscally reasonable effort with regard to the security of the social security system to maintain no less than the real protection that is currently provided to all participants."

Seidman and Clayman later joined in criticizing another resolution praising the Reagan Administration for its "defense" of social security, terming it a "double-cross" which undermined the earlier progress of the day.

THE APPARENT stacking of key committees, caused concern even as the conference ended. Last-minute revelations centered on a letter from the Texas Governor's office to the Republican National Committee naming four delegates "who would put loyalty to the President ahead of their commitment to the elderly and who would not take offense at the involvement of the Republican Party." Press reports of similar letters in other states appeared the day after the conference.

Other documents indicated that a Republican "whip" system had been established for critical committees.

Deficit Forecasts Sting White House

(Continued from Page 1)

tion after all, and that budget balancing could be postponed without damage to the economy.

THE FUROR was touched off when CEA Chairman Murray Weidenbaum said in a speech that the economy could absorb larger federal deficits without a new surge in interest rates and without depriving business of sources for funding expansion, a position sharply at odds with the Administration's past economic preaching.

William Niskanen, also a member of the economic advisory council, said "it is now recognized that some of the expected effects of the Reagan Administration economic program are inconsistent and something has to give." He said the Administration has already abandoned its goal of trying to balance the federal budget by 1984.

White House Deputy Press Sec. Larry Speakes quickly issued a disclaimer, insisting that Niskanen's statement "did not reflect the President's opinion or Administration policy."

The new estimates by the Administration foresee federal budget deficits of $109.1 billion in fiscal 1982 and $152.3 billion and $162 billion for the following two years. In July, the OMB predicted the deficits would be only $42.5 billion in 1982, $52.7 billion in 1983 and $44.2 billion in 1984. As recently as November, the Administration had substantially increased those figures, and less than a month later upped projections to the higher estimates. The deficit in fiscal 1981, which ended Sept. 30, was $57.9 billion.

Walesa Sends Thanks For AFL-CIO Aid

Lech Walesa, unable to attend last month's AFL-CIO convention because of ongoing tensions between Polish authorities and the Solidarity labor federation, sent his thanks to the American labor movement for its support.

In a taped message to Federation President Lane Kirkland, Walesa conveyed his regrets that he could not appear personally at the convention to accept the AFL-CIO's first George Meany International Human Rights Award on behalf of Solidarity, but noted that "the situation in Poland has unfolded in such a way that I have been forced to stay here." Walesa added:

"I HAD WANTED to personally thank you for the great assistance which you have extended to us, to personally express my gratitude at your convention. . . .

"I hope that you understand that the problems of this country are monumental. Still, that does not mean that I do not wish to acknowledge the significance of what you are trying to do for us.

"Working people have always had to fight for their gains. I expect that you too are facing many problems, that you have to settle many things at your convention so that your members' lives will be better. I am certain that the convention will map out directions which will benefit your members.

"I thank you once again for your aid, and I hope that I will have an opportunity of doing this personally. Also, I would like to become acquainted with your working conditions and your activities because we can learn much from you. . . . Many of your solutions are worthy of emulation and not just in Poland."

WALESA CONCLUDED his remarks to Kirkland saying that "if fate has it that I can meet with you . . . I will look forward to that opportunity." The Executive Council hopes to present Walesa the Meany award at some future meeting.

Walesa's message was taped between meetings in Warsaw of Solidarity's national leadership as it mapped strategy for talks with the Polish communist authorities. Leah Belli, president of the California Democratic Council, who interviewed Walesa, translated his remarks and delivered the message to Kirkland.



COLLECTION OF TRIBUTES and remembrances highlighting the contributions of Al Barkan to the labor movement over the past four decades was presented to the retiring national COPE director at a testimonial dinner in Washington which drew more than 1,000 well-wishers. Making the presentation are Jacob Clayman, left, president of the National Council of Senior Citizens and a long-time friend of Barkan's; AFL-CIO President Lane Kirkland and Sec.-Treas. Thomas R. Donahue. Barkan has headed COPE since 1963.

South Africa Pressed to Free Jailed Black Trade Unionists

The AFL-CIO protested the recent arrest and detention of 14 black trade union leaders in South Africa and called for their immediate release.

"These and previous arrests are serious violations of trade union rights, and will help to fuel the fires of violence and unrest, the consequences of which no one can foretell," AFL-CIO President Lane Kirkland declared in a cable to South African Prime Minister P. W. Botha in Pretoria.

THE BLACK LABOR leaders were arrested Nov. 27 in coordinated predawn raids in several South African cities by security police under a law that allows detention without charge.

Also arrested were students, researchers, and political activists in what appeared to be part of a continuing drive to uncover links between organizations operating legally in South Africa and the banned African National Congress, the main movement of resistance to white minority rule.

The trade union leaders included Sam Kikane, general secretary of the South African Allied Workers Union; Emma Mashinini, general secretary of the Commercial, Catering & Allied Workers Union, and Samson Ndou, president of the General & Allied Workers Union.

IT WAS ALSO reported that T. Gqweta, president of the South African Allied Workers Union, and a vice president of the union were arrested and held on Dec. 8. Those arrested are held under a law permitting detention without charge for 14 days. Frequently, when the 14 days are up, the authorities simply extend the period of detention, which they are permitted to do indefinitely under the Terrorism Act.

At its preconvention meeting last month, the AFL-CIO Executive Council launched a special fund to assist black unions in South Africa and urged affiliates to contribute to it. The council voted an initial $25,000 contribution.

The arbitrary arrest and detention of trade union leaders, not only in South Africa but in other African countries such as Zambia, Zaire, Namibia, and others, recently drew strong denunciation from the International Confederation of Free Trade Unions.

Meeting in Monrovia, Liberia, the ICFTU executive board condemned government interference in trade union affairs and "the unfortunate trend whereby governments facing social and economic problems are using trade unions as scapegoats."

Reversal of Policy Sought To Combat Jobless Rise

The AFL-CIO called on Congress to reverse the disastrous direction of the Administration's economic policies and deal with the tragic and wasteful high unemployment situation that had over 9 million Americans out of work last month.

John H. Lyons, a vice president of the federation and chairman of its Economic Policy Committee, outlined the anti-recession, job-creating programs adopted by the AFL-CIO's 14th convention in an appearance before the congressional Joint Economic Committee.

LYONS, WHO IS president of the Iron Workers, called for sufficient funding of programs already on the books to provide jobs rapidly and help lift the economy. In addition, he said, the AFL-CIO proposes new legislation establishing a Reconstruction Finance Corp.-type organization to make loans and subsidies for the retooling and growth of basic industries, credit allocation to channel funds into productive uses and halt speculative excesses and merger activities, limiting tax cuts and credits for both businesses and individuals, and withdrawing tax giveaways to wealthy oil royalty owners.

"Unemployment is already at crisis levels," Lyons observed. "The number of men and women without jobs, more than 9 million, is the largest number of jobless since the Depression of the 1930s."

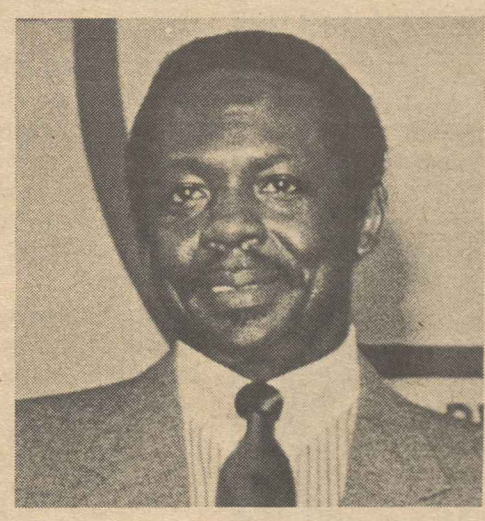
In addition to the 9 million, there are another million "hidden unemployed" workers—those too discouraged to look for employment—and 5 million employed only part-time because full-time work is not available, Lyons noted.

"If you add up all these numbers," he said, "you have 15 million Americans today who are suffering serious job loss and income loss. Over the next year, more than one-fourth of the labor force will suffer some unemployment, and nearly half of all workers will suffer the direct impact of the recession through either joblessness or reduction in hours and earnings."

Unemployment is a personal tragedy, a human tragedy, to those affected by it, Lyons said, and unemployment compensation or welfare brings only temporary or partial relief. He cited a Johns Hopkins University study showing that recession and joblessness produce more heart ailments, suicide, crime, murders, mental and physical disease.

MOREOVER, HE SAID, the economic waste of productive workers without jobs is a tremendous loss to the nation.

Every 1 percent of unemployment, every one million workers without jobs, costs the federal treasury $30 billion—$25 billion in lost taxes and $5 billion in additional unemployment benefits, Lyons noted. This costs the nation about $100 billion in lost output of goods and services, he added.



HENRY NICHOLAS is the new president of the Hospital & Health Care Employees division of the Retail, Wholesale & Dept. Store Union. He was elected at the division's convention in Philadelphia to succeed Leon J. Davis, who did not seek reelection but will continue to head its District 1199. Nicholas has been secretary-treasurer of the division for the past eight years.

8.4% Jobless Rate Highest In Six Years

(Continued from Page 1)

As in the previous two months, unemployment increases in November were especially large for blue-collar workers, whose rate rose from 11 to 11.8 percent after a similar jump in October. The jobless rate for construction workers rose from 18 to 18.2 percent, following an increase of 1.7 percent the month before.

As the nation's eighth post-war recession deepens, unemployment also has begun to take its toll of white-collar workers, a labor category generally less affected by downturns in the business cycle. In November, white-collar unemployment hit its highest level—4.2 percent, or 2.7 million persons—since the record of 5.3 percent set during the 1973-75 recession.

BLS Commissioner Janet L. Norwood told the Joint Economic Committee of Congress that the deterioration which set in last summer has accelerated over the past two months. After rising half a percentage point over the summer, the nation's jobless rate jumped nearly a full point from September through November.

"THE NUMBER of payroll jobs grew very slowly between July and September but declined by nearly half a million over the last two months," she observed. Since July, employment has dropped by 940,000.

Although the November drop of 235,000 in nonfarm payroll jobs occurred throughout the economy, two-thirds of the decline was in durable goods industries, with especially large reductions in transportation equipment, fabricated metals, and electrical equipment, Norwood said.

The number of people holding jobs fell by 190,000 in November to 98 million, with the overall employment-population ratio dipping to 57.9 percent, its lowest level in about four years, BLS reported. The civilian labor force, meanwhile, grew by 293,000 over the month. Since January, the labor force has grown by 1.6 million, with adult women accounting for most of the increase.

Reagan's PATCO Decision Called 'Disappointment'

(Continued from Page 1)

pointment, AFL-CIO President Lane Kirkland said the Administration action was "clearly not what the Executive Council had in mind when we asked the President to show compassion. We don't see how this fits the needs of either the PATCO families or the nation's air travelers."

"We continue to believe the air controllers should be restored to their jobs," Kirkland said, reiterating his statement of a week earlier after visiting the White House: "We urged the President to give humane consideration to the problems of the air traffic controllers and their families. We urged returning those workers to their jobs so as to restore normal air traffic service as soon as possible, spare the public further inconvenience and permit the thousands of other furloughed air industry employees to return to work."

KIRKLAND also observed that "there can be no comfort in being told you are eligible for a federal job" in an administration which prides itself in reductions in force among federal employees and "is committed to more and more cutbacks in federal budgets."

PATCO President Robert E. Poli characterized the Reagan action as a "cruel hoax" at a time there are no federal jobs.

Lewis gave as an excuse for the continued lockout of the controllers "safety-threatening friction" he said would result between returning strikers and controllers who crossed picket lines.

Fired controllers would be permitted to work as military air traffic controllers, if they are qualified, Lewis said.

Full Circle on Trade

TRADE AFFECTS jobs, technology and the nation's future. The nation is now in a serious recession. Already 9 million Americans are jobless. Plant shutdowns are not a sign of Christmas holidays, but rather of a national tragedy.

Compounding and worsening that tragedy is the adverse trade relationship. During the first 9 months of this year, the nation's trade balance has run $26.2 billion in the red.

Instead of the current preoccupation with the nation's budget deficit—money we owe ourselves—there should be more concern about the trade deficit—obligations this nation must meet to producers abroad. It is time to recognize that imports are aggravating the effects of the recession, particularly in basic industries.

The recession needs many national actions to turn it around and put the nation on a solid expansion path. One of those actions must deal with the additional impact of imports upon industries reeling from the blows of recession. Imports—now over 30 percent of the production of all goods in the U.S.—must be regulated until U.S. industry can get back on its feet. Otherwise, the plant closing will be permanent and the United States will emerge from the recession with even less of an industrial base.

THE PUBLIC explanations for trade policy have come full circle since World War II. Then, as U.S. seamen watched the shipping industry go down and their jobs exported to foreign flags, they were told that the United States is a manufacturing nation—not a service nation.

Exports of manufactures are job creators, the story went. But in the three decades since that war, the deficits have grown in basic industries: steel, autos, textiles, electronics, shoes, some types of machinery. Each time the newer technology industries were considered to be an answer. But they no longer are an answer as even aircraft and computers are now using imported parts.

Now the story has turned in 1981 as the international trade balance shifted from surplus in the 1960s to deficits in the 1970s and 1980s. Now the emphasis is on service industries in trade policy, because the United States is a service economy.

However, the AFL-CIO believes the United States must be a diversified manufacturing, agricultural and service economy. We need high technology industries and many other industries for full employment. Trade is part of that goal.

THE COUNCIL of Economic Advisers still portrays all people who are concerned about import damage as "special interests." The AFL-CIO believes this is a false view of the special interests in trade policy.

Importers, foreign investors or foreign governments are all special interests. On the other hand, the jobs and production that imports cost across the nation are a general problem that should be considered the national interest. The people who pay the costs of imports now number in the millions. Surely, it is time to recognize the costs as well as the benefits involved.

The AFL-CIO believes in fair trade. Instead, the government abdicates responsibility except to try to talk other countries into greater markets for U.S. exports. That is a valid and important goal, but it is only part of the picture and part of the goal. The continued encouragement of products from nations which don't give America a fair deal is a bankrupt policy.

—From AFL-CIO testimony before the House Ways & Means Subcommittee on Trade, Dec. 10, 1981.

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THOMAS R. DONAHUE, *Secretary-Treasurer*

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'Whatever You Do, Don't Show Fear!'



Letting the 'Market' Decide

When U.S. Steel Turns to Oil 'Industrial Backbone' Suffers

By Gus Tyler

THE TALE OF two chairmen at U.S. Steel reads like a morality play, entitled, "What's Going Wrong With the American Economy."

There was one chairman, Edgar Speer, who believed that the job of U.S. Steel was to make steel. He went to work on a plan to build a $3.5-billion facility that would be up-to-date and that could compete against all comers around the world.

THEN, THERE IS Speer's successor, David M. Broderick, who took the reins of U.S. Steel in 1979. He dumped the plans to build the new modern mill; he closed 14 plants that were not money makers; he began to accumulate a cash reserve.

Broderick did not have his eye on steel; he had it on money. His biggest move to date is to reach out for Marathon Oil with an offer of $6.3 billion from his cash reserve.

Now, which chairman is doing the right thing? They both are, depending on what you consider right.

MOST FINANCIAL analysts believe that, in the short run, Broderick is right—at least, he is right for the shareholders in U.S. Steel. He is very likely to get a faster return by putting bucks into oil than into steel. Making the metal is a business that has been yielding only about 4 percent on equity; making a merger is fairly certain to yield much more.

Speer's strategy, on the other hand, was much riskier and promised lesser immediate returns to the shareholders. New plants do not yield instantaneous results: they require much capital; the returns are slow until momentum is picked up against overseas rivals.

But, from the point of view of the United States as a country, Speer is right. America needs steel; it is the backbone of an industrial society. If we lose our capacity to turn out steel, we lose much of our industrial strength and military might.

BUT WHETHER Broderick is right or Speer is right, should such a decision that so profoundly affects the lives of people, their communities (closing 14 plants), and the country be left entirely to Mr. S. or Mr. B., according to his preference? The general answer is to "leave it to the market to decide."

Well, the "market" has decided. It says that Americans prefer to buy steel from overseas so long as steel made in this country is needlessly costly because of the obsolete way in which it is made. The right response to the "market" would be to build mills that are better than those in Germany or Japan—a deed which can, indeed, be done.

BUT U.S. STEEL is not responding to that "market," a market that speaks for the needs and the preferences of the American people. The new chairman is responding to the needs of shareholders whose interests do not coincide with the interests of America and its people.

Shouldn't the people have a voice in deciding which way this country goes—especially if those multi-billion dollar reserves that U.S. Steel has accumulated were made possible by generous tax treatments from Uncle Sam?

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Human Suffering Behind a Statistic

The 8.4 percent unemployment rate announced by the government means that over 9 million Americans are now out of work, and a million more have given up their search for a job.

Mayors are particularly distressed by this high rate of unemployment because the unemployed—youth and adults—are concentrated in such large numbers in our cities.

The unemployment rate is a statistic that reflects human suffering among Americans.

Our federal government has a responsibility for the millions of citizens who are victimized by current economic policies and conditions.

The time has come for a moratorium on further federal budget cuts and for a re-examination of the cuts that have already been made.

—Mayor Helen Boosalis of Lincoln, Neb., president of the U.S. Conference of Mayors, commenting on the November unemployment report of the Bureau of Labor Statistics.

'Old-Fashioned Economics'

Reviving a 'Bankrupt' Policy

"This is the price you have to pay for bringing down inflation."—*Deputy White House Press Secretary Larry Speakes, Dec. 4, 1981, on report that unemployment in the United States had jumped to 8.4 percent in November, the highest rate in six years.*

* * *

"I don't believe the alternative to inflation is recession. I think that's old-fashioned economics. I don't think that you have to trade unemployment—and incidentally, President Carter as a candidate said that he would never fight inflation by using unemployment. President Carter in his present economic message has said that as a part of his fight against inflation, unemployment is going to be allowed to go up one to one-and-one-half or two percentage points.

"Now, this is self-destructive, because for every single percentage point that you add to the unemployment rolls, you add 25 to 29 billion dollars to the federal deficit, both in the loss of revenue from those no longer working and in the benefits that go out to them."—*Candidate Ronald Reagan, League of Women Voters debate, Houston, Apr. 23, 1980.*

* * *

"Unemployment is not the answer to inflation. Unemployment means only lost jobs, and blacks, who are all too often the last hired, are usually fired first."—*Candidate Ronald Reagan, speech to the National Urban League, New York, Aug. 5, 1980.*

* * *

"The Democratic Congress and the Carter Administration are espousing programs that candidate Carter in 1976 said were inhumane: using recession, unemployment, high interest rates, and high taxes to fight inflation. The Democrats are now trying to stop inflation with a recession, a bankrupt policy which is throwing millions of Americans out of work."—*1980 Republican Party Platform, adopted July 15, 1980, Detroit.*

New Biography

Meany a Man for His Times

George Meany and His Times—A Biography, *by Archie Robinson, 445 pages. Simon & Schuster, $18.75.*

ADVANCE COPIES of this major new biography of George Meany announced for publication in January 1982 by Simon & Schuster, were released during the centennial convention of the AFL-CIO in New York.

Titled "George Meany and His Times," the 445-page book by Archie Robinson covers the career of the AFL-CIO president that spanned six decades and made him in the words of the publisher, "not only the architect of the AFL-CIO, its leader, its most articulate spokesman and its enduring symbol for 24 years, (but) also one of America's most influential lobbyists for progressive legislation and one of the world's most controversial, outspoken and incorruptible public figures."

ROBINSON, WHO covered labor's activities for nearly 40 years, first for the Detroit News and then for U.S. News & World Report, says the book is drawn as George Meany's own story, told largely in his own words excerpted from taped interviews that began in late 1975 and ended in 1979, only six months before his death.

The book is based not only on the hundreds of hours the author spent with Meany himself, but on scores of additional interviews with the late federation president's associates, with family members and with many who worked closely with him over the years.

In addition, Robinson had access to unpublished documents, AFL-CIO Executive Council minutes and the archives of the federation.

The book is organized into 19 chapters, with all of the material in chronological order—because that is the way Meany, with his phenomenal, photographic memory, had it stored in his mind, Robinson says.

IT EXPLORES his relations with eight U.S. Presidents, beginning with Franklin D. Roosevelt, reveals behind-the-scene maneuvers involving important political and labor events, and tells why he took the actions and made the statements that made him unique among the leaders of his time.

The book contains an extensive collection of photographs documenting the life of George Meany in public and private over the entire span of his 85 years.

Copies of the book are available to union members and friends of labor at a reduced price of $12.50 each, which includes postage and handling, a 33-percent savings off the bookstore price. Orders must be accompanied by checks payable to "AFL-CIO Books" and should be sent to: AFL-CIO Books, P.O. Box 37437, Washington, D.C. 20013. Cash and COD orders will not be accepted.

Job Loss Mounts

Setting a Course for Disaster

IF THE ADMINISTRATION continues on its present course, more than 25 million workers will suffer temporary or permanent job losses during 1982, AFL-CIO Research Director Rudy Oswald warned on Labor News Conference.

At least 15 million Americans are now out of work or working only part-time because they can't find full-time jobs, Oswald stressed. He said that the sharp jump in unemployment that has added 1.5 million men and women to the jobless rolls since July signals an even deeper impact in the months ahead, and that "nearly 50 million Americans will experience the effects—lost income and lost work opportunities."

Not only has the Administration's economic game plan failed to produce the promised turnaround, but conditions "are actually getting worse" month after month, he asserted.

Oswald renewed the AFL-CIO's call for federal reinvolvement in job-creation and job-development efforts. He rejected the Administration's contention that those efforts had failed in the past. The fact is, he said, "public service employment provided more than 250,000 jobs for people who could not find work in the private sector." He said that the "public works programs that were incorporated very quickly in the 1975 recession" were a major factor in shaping the recovery, and provided badly needed community facilities as well as jobs.

THE PRIVATE SECTOR just hasn't responded to "take up the slack" created by the budget cuts that wiped out those jobs programs, Oswald said. He pointed out that there has been a sharp fall-off of private sector jobs over the last two months—more than 100,000 jobs lost in the auto industry, 40,000 in steel, and at least 20,000 each in lumber, textile and apparel.

"Instead of a revitalization, we've had a great number of layoffs," he declared, and "there is no single, bigger waste in our economy than unemployed workers sitting on the shelf, doing nothing."

Reporters questioning Oswald were Warren Brown of the Washington Post and Michael Posner of Reuters news agency. Labor News Conference, produced by the AFL-CIO as a public service, is broadcast weekly on Mutual radio.





By Press Associates, Inc.

FROM THE BEGINNINGS of commercial broadcasting in this country, the law has recognized that those who reap profits from their government-granted monopoly of television and radio frequencies have a certain responsibility to serve the public interest.

But the principle that use of the public airwaves is also a public trust has been under siege by the Reagan Administration and even in the Congress.

Under the banner of "deregulation" and "private enterprise" and even "free speech," the Federal Communications Commission, now dominated by Reagan appointees, and Congress, heavily lobbied by the broadcast industry, have been whittling away at rules providing for public accountability by broadcasters.

Some recent examples:

- Congress last summer eliminated the need for a potential owner of a radio or TV station to prove itself more deserving of a license than other applicants because it would better serve the community interest. Instead, initial licenses will be granted by lottery—a throw of the dice.
- The FCC has severely weakened the incentive for radio and television stations to be accountable by extending broadcast licenses from three years to seven years.
- The FCC has impaired its ability to determine whether radio stations are meeting public service standards by ending the requirement that they maintain a daily log of programming.

UNFORTUNATELY, the worst may be yet to come. The FCC has asked Congress to repeal the Fairness Doctrine and the "equal time" provision of the Communications Act, the law that has governed broadcasting in this country since 1934.

The Fairness Doctrine, which has been called a bill of rights for the viewing and listening public, requires broadcasters to provide time on the air for balanced presentation of controversial issues.

Equal time means that if a station gives air time to a candidate for public office, aside from news coverage and paid ads, it must give the same amount of time to all other legally qualified candidates for that office.

In addition, the FCC has proposed eliminating the requirement that individuals be allowed to reply to personal attacks on the air, a change which could open the door to character assassination and other abuses.

TELEVISION AND radio can be unfair and superficial enough even with a Fairness Doctrine in its treatment of labor, of women, of minorities, and in its coverage, or lack of coverage, of vital issues. But without this protection for the public, and with their new seven-year licenses, station owners would be accountable to no one.

The attack on the Fairness Doctrine is coming at a time when television and radio networks are beginning to broadcast so-called advocacy advertising. With the cost of both production and television air time zooming, such issue-targeted advertising practices will allow the wealthy groups and individuals to broadcast their views on the most influential of all media—television.

Without the Fairness Doctrine, less well-endowed opponents of the messages carried through advocacy advertising would be left with no opportunity to voice their opposition on radio or television.

BROADCAST INDUSTRY executives claim a First Admendment free speech privilege to use their monopoly of the limited number of broadcasting frequencies as they please—without regard to the Fairness Doctrine.

But while the industry has never substantiated any real burden on its freedom of speech, repeal of the Fairness Doctrine and other protections would give all the freedom to the broadcasters and leave the public without recourse.

Congress has a special responsibility to maintain the public's access to the airwaves and to promote free and open debate.



THE ECONOMIC COURSE set by the Administration will lead to temporary or permanent unemployment for more than 25 million American workers in 1982, AFL-CIO Research Director Rudy Oswald, center, warned on Labor News Conference. He was questioned by Warren Brown, left, of the Washington Post and Michael Posner of Reuters. The AFL-CIO produced public affairs program is aired weekly on Mutual radio.

Hobbs Act Proposals Called Bid to Stifle Unions

(Continued from Page 1)

suggested, is based on a belief "that the legislation will chill the exercise of the right to form and join unions, will intimidate workers and will embolden anti-union employers in their efforts to crush organizing efforts and strikes."

The radical right is using its campaign for the Hobbs Act amendments to raise funds to be used "to undermine collective bargaining," Gold charged.

Passage of the legislation, he warned, would mark "a serious departure from the principle of national labor policy that the federal government should not side with either management or labor during legitimate labor disputes."

THE THURMOND bill would create new categories of federal crime, including property destruction, that could be used against strikers.

It would also nullify a 1973 Supreme Court decision that the Hobbs Act, which deals with such crimes as "extortion," was not intended by Congress to apply to offenses committed in the course of a lawful strike.

The Justice Dept. told the subcommittee it strongly opposes the portion of the bill that would create new categories of federal crimes. It does favor overturning the Supreme Court's interpretation of the law in the Enmons decision, thus applying the crime of extortion to acts of violence or property damage that take place during a labor dispute.

But the witness, Assistant Attorney Gen. Jonathan C. Rose, acknowledged that the Justice Dept. did not know of any crimes that have gone unprosecuted because of lack of Hobbs Act jurisdiction and has found no "reluctance" by state and local authorities to prosecute violence in labor disputes.

GOLD TOLD the subcommittee, in response to a question, that the only purpose of the legislation is to "get the government on the employer's side" in a labor dispute. "and we just resent the hell out of it."

A union seeking a pay raise is not trying to "extort" money from an employer, Gold stressed. But comparable attacks by employers or their agents against strikers wouldn't be covered because they couldn't be linked to the crime of extortion.

IT'S UP TO the advocates to demonstrate a need for the legislation and that test hasn't been met, Gold insisted. "States and localities are meeting their peacekeeping responsibilities."

Further, he stressed, "at a time when serious crimes are increasing and the federal budget decreasing," involving federal criminal law enforcement in labor-management disputes makes no sense. A serious enforcement effort would require creation of a national police force, he told the Senate panel.

Gold pointed out that misuse of the strike weapon for wrongful purposes is already a federal crime under the Hobbs Act, and that a number of other serious offenses such as the use of explosives during a strike are also punishable under other federal law.

THE PROPOSED Hobbs Act amendment "will not close any enforcement gaps left open by either state, local or federal laws," Gold said. But some offenses normally treated as misdemeansors under local laws would be transformed into federal felonies requiring long prison terms.

Under the Thurmond bill, Gold told the subcommittee, the Hobbs Act would be enlarged to embrace "minor misconduct, picket line affrays in the heat of the moment and any other misuse of force motivated by fear or animus by union members during a strike."

Such an expansion of the Hobbs Act, he said, "loses all touch with the reason for providing federal jurisdiction over extortion in the first place—to check racketeering activity."

Gold reminded the Senate panel that picketing is a form of free speech, that "the men and women of the American labor movement are law-abiding citizens," and that all available evidence refutes the assertion "'endlessly repeated by the bill's supporters that 'union violence' is a pervasive national problem."

Rose, the assistant attorney general who testified for the Justice Dept., told the subcommittee that portions of the department's prepared testimony had been modified in light of "concerns leaders of organized labor raised" at the recent White House meeting of the AFL-CIO Executive Council with President Reagan and his top aides.

ROSE WAS repeatedly pressed as to why the Justice Dept. wanted to overturn the 1973 Supreme Court decision if it had found no need for a broader law, and why it sought additional jurisdiction when Administration budget cuts and policy decisions were drastically reducing its ability to deal with such clearly federal areas of concern as interstate organized crime and drug rings.

Rose responded that the Justice Dept. considered the Supreme Court decision erroneous in its interpretation of the Hobbs Act, but was not "taking the initiative" in seeking a change.

Reed Larson, president of the National Right to Work Committee, and officials of two construction contractor associations argued for the entire Thurmond bill.

It is needed, Larson insisted, to deal with the "growing problem of union corruption and violence." The Supreme Court decision, he claimed, has "emboldened union officials" to commit "murder" and "manslaughter."



LABOR CENTENNIAL WEEK was marked by the city of Corpus Christi, Tex., to commemorate the 100th anniversary of the AFL-CIO. Participating in the proclamation ceremony are, front row from left, Mayor Luther Jones; Penny Dudley, Government Employees; Becky Moeller, vice president, Coastal Bend Central Labor Council; and Linda Bridges, Teachers. Back row from left: Manual Narvaez, Steelworkers; Larry Vandeventer, Communications Workers; Henry Villarreal, International Brotherhood of Electrical Workers; Walter Nobles, Jr., CWA; and Joe Quesada, Carpenters.

Drop in Food Prices Slows Climb of Wholesale Index

Wholesale prices moderated in November, rising five-tenths of 1 percent over the month, as lower food prices offset higher energy costs, the Bureau of Labor Statistics reported.

If the November rate held for 12 straight months, the increase would be 6.3 percent, BLS said. Officials compute the annual rate by compounding a monthly figure that is more precise than the rounded-off five-tenths of 1 percent that is published.

AS IT IS, the November increase in the government's measure of wholesale prices for finished goods—the producer price index—lifted the index 7.1 percent above the year-earlier level.

Food prices dropped five-tenths of 1 percent over the month, the result of ample crops and high levels of pork and beef production. Energy costs rose nine-tenths of 1 percent, the sharpest increase since April. The November increase was mostly the result of the recent decision of the Organization of Petroleum Exporting Countries to set a unified price for crude oil.

Energy prices had fallen four-tenths of 1 percent in October. The increase in November was due to rises in prices of gasoline and natural gas, BLS said. Home heating oil costs, however, continued to drop.

Among changes in food prices, eggs fell after rising in October while milled rice prices were off more than 9 percent for the second straight month. Prices were up more than 18 percent for fresh fruit, while the cost of soft drinks, roasted coffee and refined sugar also advanced considerably.

PRICES FOR goods other than food and energy climbed eight-tenths of 1 percent after a 1 percent rise in October. Those increases were attributed to higher new car prices, which advanced nine-tenths of 1 percent in November, following a sharp 4.2 percent rise in October.

New Contract Ratified At Frontier Airlines

Chicago—Some 2,700 members of the Air Line Employees overwhelmingly ratified a new agreement with Frontier Airlines that will provide a 36-percent salary increase over a 30-month period.

ALEA President Victor J. Herbert said that the pact will raise the base salary of 10-year station agents from $21,300 to $29,580 a year over the life of the agreement.

The contract is retroactive to Jan. 1, when the old agreement expired, and represents productivity increases and adjustments to keep up with living costs.

Unions Denounce Tampering With Consumer Price Index

(Continued from Page 1)

The BLS completely bypassed the Labor Research Advisory Council when it decided to scrap homeowner costs as a component of the price indexes, Oswald noted. The union advisory body anticipated only a BLS study of the feasibility of such a change. "It now appears that feasibility has been determined in advance of the study," Oswald protested.

HE AND OTHER union witnesses spelled out in detail labor's technical objections to substituting a rental equivalence statistical measure for actual home ownership costs.

Oswald noted also that changing the calculation won't necessarily bring down the CPI level. If the change had been in effect in October, he pointed out, the price index for all urban consumers would have risen by seven-tenths of 1 percent over the month. The actual increase was four-tenths of 1 percent because it happened to be a month when "home prices fell, mortgage rates stabilized, and rents continued upward."

The United States "is the largest nation of homeowners in the world," Oswald noted. But under the planned changes, the consumer price index "is going to say that all these houses are rented."

ALSO PROTESTING the BLS change in the price measurements were representatives of the Food & Commercial Workers, Auto Workers, Machinists and Steelworkers.

Arnold Mayer, vice president and government affairs director of the Food & Commercial Workers, stressed that "statistical sleight-of-hand" won't cure inflation. But it can "make it even more difficult for workers and retirees to cope."

Changing the cost-of-living calculation, Mayer suggested, enables "a politically sensitive move such as cutting social security benefits" to be achieved "by executive fiat," without the need for legislation.

UAW ECONOMIST Lydia Fischer said the Bureau of Labor Statistics injected the home ownership component into the price indexes to reflect the reality that nearly two-thirds of households are homeowners rather than renters. Before World War II, most families rented their dwellings.

The BLS should keep its market basket mix in line with present-day conditions, Fischer urged, rather than switch over to a hypothetical "equivalency" figure.

Machinists Economist William E. Bittle noted that COLA provisions in union contracts "did not come freely or easily," and most were "paid for one way or another" through bargaining table tradeoffs of other improvements.

"WHEN BLS economists start to tamper with it," he stressed, they're tampering with an index that determines how much cash people will have "to put groceries on the table."

Substituting a rental equivalent for home ownership, Bittle testified, "leaves little doubt as to who is being 'trickled on' under the Administration's trickle-down economic theories."

James Smith, assistant to the president of the Steelworkers, noted that the Bureau of Labor Statistics "has made a significant contribution to stable relations between management and labor . . . because workers were convinced of the integrity of the BLS." Thus, they and their unions have been willing to accept collective bargaining decisions based on the CPI and other measurements.

"This confidence has been widely jolted by the Reagan Administration's decision to change the CPI methodology," Smith said. "It can be further undermined," he warned, "if the BLS is forced to abandon other services of value to workers as part of the current orgy of budget slashing."

OSWALD'S TESTIMONY noted that budget cuts over the past two years "have fallen particularly hard" on the BLS Office of Wages & Industrial Relations. Data compiled by this office are accepted by both parties in bargaining as "reliable and credible," he stressed. And while management can usually get wage data through its industry associations, comparable non-government information isn't available to unions.

BLS wage surveys by area and industry are also used in connection with prevailing wage laws, Oswald noted. A series on union wage rates in the building trades dates from 1910, and provides "both inter-area and inter-union comparisons."

Oswald urged restoration of $4 million to the BLS budget to continue its wage data collection and asked Congress to put back $400,000 to allow continuation of the "family budget" series, which since 1945 has shown in dollars and cents the total living costs of worker families in various parts of the country at three different standards of living.

Reagan's Tax Plan Termed Costly Drain

Exclusions and special benefits written into the federal tax code have distorted the concept of taxation based on ability to pay, AFL-CIO Legislative Director Ray Denison told the House Rules Committee.

Denison said labor would welcome a stronger spotlight on the impact of so-called tax expenditures on the federal budget. Not all tax expenditures are unjustified loopholes, Denison said. But "most of the costly and inequitable provisions in the tax code" fall into the definition of tax expenditures.

TAX FORGIVENESS features have increased dramatically, starving the government of needed revenue and severely limiting "the nation's ability to solve its growing economic and social problems," Denison stressed.

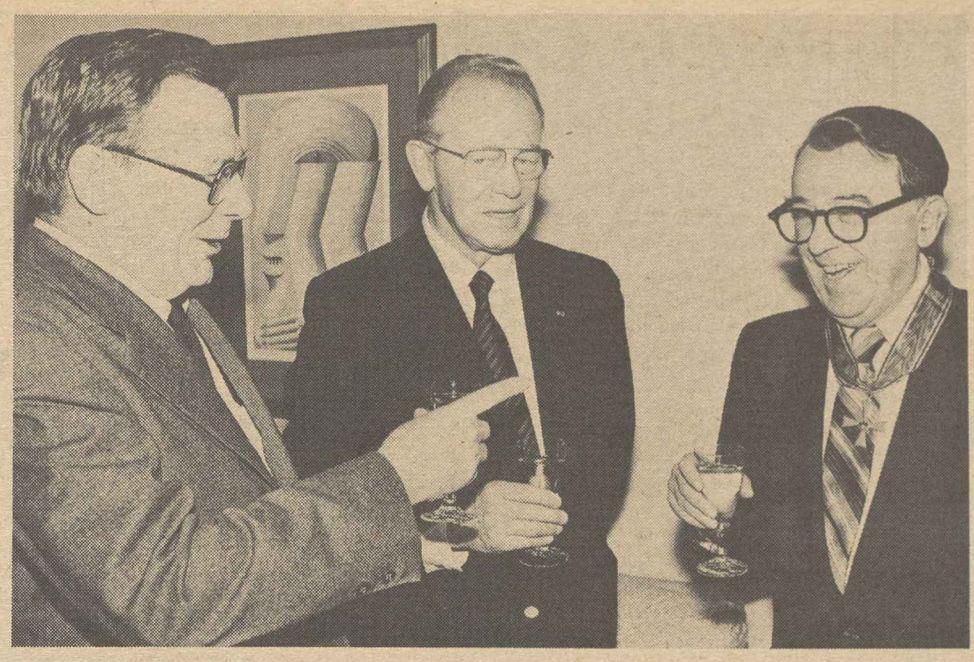
He said the Administration tax bill, which Congress enacted last summer, contributed significantly to the "rapidly spreading economic mess."

Denison expressed reservations, however, about a bill being considered by the committee which would require Congress to write a binding ceiling on "tax expenditures" into the budget resolutions it adopts each year. The resultant changes to comply with such a ceiling would not necessarily be in the direction of tax reform, he suggested, and could spawn even greater inequities.

The AFL-CIO does endorse "efforts to give the tax expenditure budget more visibility," Denison testified. "We feel that better and more timely information on beneficiaries of particular tax expenditures and their needs would improve tax policy."

HE URGED ALSO frequent analysis on whether tax expenditures that were enacted as "incentives" to encourage a particular activity have actually achieved their purpose.

Such studies, he suggested, could "provide some insights as to the effects of the new depreciation system on investment, productivity and job creation; the impact of the interest income exclusions on the level of savings, as well as the costs and effects of the various tax provisions that subsidize the global activities of U.S. multinational corporations."



IRVING BROWN, the AFL-CIO's European representative, is toasted by Federation President Lane Kirkland and President Heinz Oskar Vetter of the German Confederation of Trade Unions following his decoration with the German Federal Republic's Order of Merit. Brown was cited for his contributions to the development of German-American ties, particularly trade union relations.

German Government Honors Irving Brown's Contribution

New York—Irving Brown, the AFL-CIO's representative in Europe, was honored here by the Federal Republic of Germany for his contributions over the years to the development of relations between the German and American people, particularly in the area of union relations.

Brown was awarded the FRG's Order of Merit by the German Consul General in New York, Hartmut Schulze-Boysen, on behalf of President Karl Carstens.

IN HIS REMARKS, Schulze-Boysen welcomed Brown "as someone whose very name stands for the good and solid relationship between organized labor in our two countries." Knowing that a democratic revival of Germany after World War II would not be possible without an effective labor union movement, Brown paved the way for German unions to return to the international labor community, Schulze-Boysen observed.

"By drawing the DGB (German Confederation of Trade Unions) closer together, you have contributed to the lasting alliance between Germany and America," he said.

Accepting the award for himself and the American labor movement, Brown said cooperation between the AFL-CIO and the DGB will be further strengthened with the federation's reaffiliation with the International Confederation of Free Trade Unions in January.

AT A DINNER following the decoration ceremony, DGB President Heinz Oskar Vetter recalled post-war attempts by some Western leaders to dismantle German industry, a plan rejected by the American labor movement which supported a democratic Germany with free and independent trade unions. Brown was instrumental in reviving the German labor movement and forging close links between German unions and the AFL in the aftermath of World War II, Vetter noted.

"The DGB is certainly a very self-conscious organization, standing on its own feet," Vetter said, "but without the assistance of our American colleagues, to stand up again would have been much harder."

VETTER added that he looked forward to the return of the AFL-CIO to the ICFTU, which it helped found in 1949, because "economic and social problems which today in particular face the working class in Western industrialized nations need common solutions."

In a congratulatory message, Sec. of State Alexander M. Haig, Jr., described Brown as "an eminent emissary of American values, of the American labor movement, and of universal democratic principles. His advocacy of the cause of free trade unionism has made him a distinguished servant of the international labor movement."

Flight Engineers Denounce Two-Person Cockpit Crew

Rio de Janeiro—The Flight Engineers' 33rd annual convention denounced the report of a special presidential panel earlier this year that found the McDonnell Douglas Super 80 safe for flight with only a two-member cockpit crew.

The task force also concluded that other new generation aircraft soon to be marketed with cockpits designed for only two crew members appeared to be "potentially" safe, a position that the 7,000-member FEIA also takes issue with.

"SINCE THE task force report, the operations and engineering departments of the airlines have been looking at how to operate the 767 with two-man crews," FEIA President William A. Gill, Jr., said in his report to the delegates. "All is not well with many in these departments. Problems are beginning to creep up.

"Does it really make sense safety-wise and economy-wise to fly the 767 with only a two-pilot crew, they are now asking themselves? Time will tell."

In its presentation to the panel, the union pointed out that the heavier workload in the computerized cockpits of the new aircraft requires a third crew member for an "extra margin of safety." FEIA also pointed out that no technical testing was conducted before the panel's decision was made. Gill told delegates that the union will monitor airline operations using the two-member crews.

"IF FEIA WAS right when we testified that three was safer than two, then the true-life tests will prove it," he said.

Other resolutions adopted at the three-day convention opposed airline deregulation and supported striking members of the Professional Air Traffic Controllers Organization.

A unique worldwide union with chapters in 20 countries, the FEIA also voted to raise the per capita tax $1 to $11.50 per member per month.

GILL WAS unanimously re-elected to his ninth two-year term. Also re-elected by acclamation were First Vice President Roger C. Bricknell of Britain and Donald F. Thielke, vice president for air safety and engineering, Karl F. Anderson has another year remaining in his two-year term as executive vice president and secretary-treasurer.

Brownie H. Searle Dies, Edited Chattanooga Paper

Dallas—Brownie H. Searle, former editor of the Labor World published by the Chattanooga AFL-CIO, died recently here.

Mrs. Searle edited the central labor council paper from 1950 to 1959, and in that period served for six years as a vice president of the International Labor Press Association. She had assisted her first husband, Tom Cuthbert, in publishing the paper since 1935.

Bishops Back Union Rights At Hospitals

Catholic health care facilities have the moral obligation to recognize the rights of their workers to organize and to bargain collectively, a pastoral letter by the American Catholic Bishops declared.

These employers have an indispensible responsibility to deal justly with their workers on wages, fringe benefits and other matters that affect their lives and futures, the bishops said.

"THIS CALLS for full recognition of the rights of employees to organize and bargain collectively with the institution through whatever association or organization they choose," the pastoral letter stated. It suggested that workers have the right to select the bargaining representative without "unjust pressures" from their employers or existing labor organizations.

The pastoral letter, which took the bishops several years to formulate, is the first to spell out their comprehensive position on health care. It is directed at all American Catholics.

The section of the letter addressing the rights and responsibilities of employers and employees of Catholic health care institutions quoted extensively from Pope John Paul II's recent encyclical, Laborem Exercens.

In addressing the role of organized labor, the Pope noted that "it is clear that even if it is because of their work that people unite to secure their rights, their union remains a constructive factor of social order and solidarity, and it is impossible to ignore."

THE PASTORAL letter also outlined responsibilities of workers "who care for the sick in a Christian facility." Underlining the Catholic church's commitment to human dignity and basic human rights, the bishops stressed that "workers must take no action that endangers the very life of the patients in the health care facility where they may be employed."

On this point, the letter quoted the Pope's encyclical that said in part: "Workers should be assured the right to strike, without being subjected to personal penal sanctions for taking part in a strike. While admitting that it is a legitimate means, we must at the same time emphasize that a strike remains, in a sense, an extreme means. It must not be abused."

The bishops also addressed the role of government in developing national policy to provide adequate health care for all.

"PRIVATE AGENCIES and institutions alone are unable to develop a comprehensive national health policy or to insure that all Americans have adequate health insurance, or to command the vast resources necessary to implement an effective national health policy," they said.

Court's Voiding of Contract Called Threat to Bargaining

Congress didn't intend to make federal courts the judge of whether union and management negotiators arrived at a "reasonable" agreement at the bargaining table, the AFL-CIO insisted in a brief filed with the Supreme Court.

The case involves the United Mine Workers, an unaffiliated union, but the AFL-CIO submitted a legal argument to the court because the outcome could affect the basic principles of free collective bargaining.

A 2-1 DECISION by the U.S. Court of Appeals for the District of Columbia, which the AFL-CIO asked the Supreme Court to overturn, nullified a section of a national contract between the Mine Workers and the bituminous coal operators dealing with eligibility for survivors health benefits.

The appellate court had concluded that the contract made an "arbitrary" distinction between survivors of retired miners and survivors of miners who died while employed that resulted in inequities. It held that the contract provision violated the fiduciary responsibility obligation imposed by the Taft-Hartley Act for employee benefit trusts.

In its brief, the AFL-CIO stressed that the Taft-Hartley provisions are intended to assure that trust funds are used to benefit workers on whose behalf contributions have been made and not diverted for private gain or unlawful purposes.

CONGRESS DID NOT intend to impose the court's judgment of what is "best" for workers in place of the decisions made in the give-and-take of the bargaining process, the AFL-CIO said.

The "fundamental policy" of federal labor law, the AFL-CIO brief contended, "is that of free collective bargaining, in which the government prescribes the procedure—but not the substantive result—of collective bargaining."

To Ease Recession

Import Tide Raises Call For Curbs, Worker Aid

The AFL-CIO pressed Congress to stem the flood of job-destroying imports and patch up a badly battered program of trade adjustment assistance for workers who have already lost their jobs.

Emergency curbs on imports can help bring the United States out of serious recession and put Americans back to work, AFL-CIO Research Director Rudy Oswald said.

HE REMINDED members of a House Ways & Means subcommittee that plant shutdowns taking place across the country "are not a sign of Christmas holidays, but rather of a national tragedy."

Earlier, at hearings by a Senate Finance subcommittee, AFL-CIO Legislative Rep. Stephen Koplan and other union witnesses testified on the abandonment of the trade adjustment assistance program that a previous Congress had erected for workers made jobless by increased imports.

Congress earlier this year used budget shortcuts to enact Administration proposals that virtually eliminated the special unemployment benefits the law had provided, severely tightened eligibility requirements and slashed funding to about one-fifth of last year's level.

EVEN WITH the drastically reduced funding levels, the union representatives noted, Congress has thus far failed to appropriate $112 million budgeted for training, job search and relocation.

A bill introduced by Subcommittee Chairman John C. Danforth (R-Mo.) would rectify one of the damaging changes made by Congress. It would restore the eligibility language of the previous law, allowing adjustment assistance when imports have "contributed importantly" to a worker's unemployment.

Koplan and the other union witnesses urged the subcommittee to support a broader bill introduced by Sen. Daniel Patrick Moynihan (D-N.Y.).

THE MOYNIHAN bill incorporates the Danforth measure and goes on to make training benefits an entitlement, rather than subject to availability of funds. It extends coverage to employees of parts and services industries who also have been put out of work. It also remedies some inequities in previous work requirements and assures that workers won't be cut off from assistance if they turn down an unsuitable job at the minimum wage.

Steelworkers Legislative Rep. John Powderly told the Senate panel that even under the old law, the Labor Dept. has been rejecting a big majority of petitions for adjustment assistance. The changes made by Congress would leave little left of the program, he said.

Evelyn Dubrow, vice president and legislative director of the Ladies' Garment Workers, said many garment industry workers are denied eligibility because their work history has been interrupted by industry patterns of periodic shutdowns or seasonal layoffs.

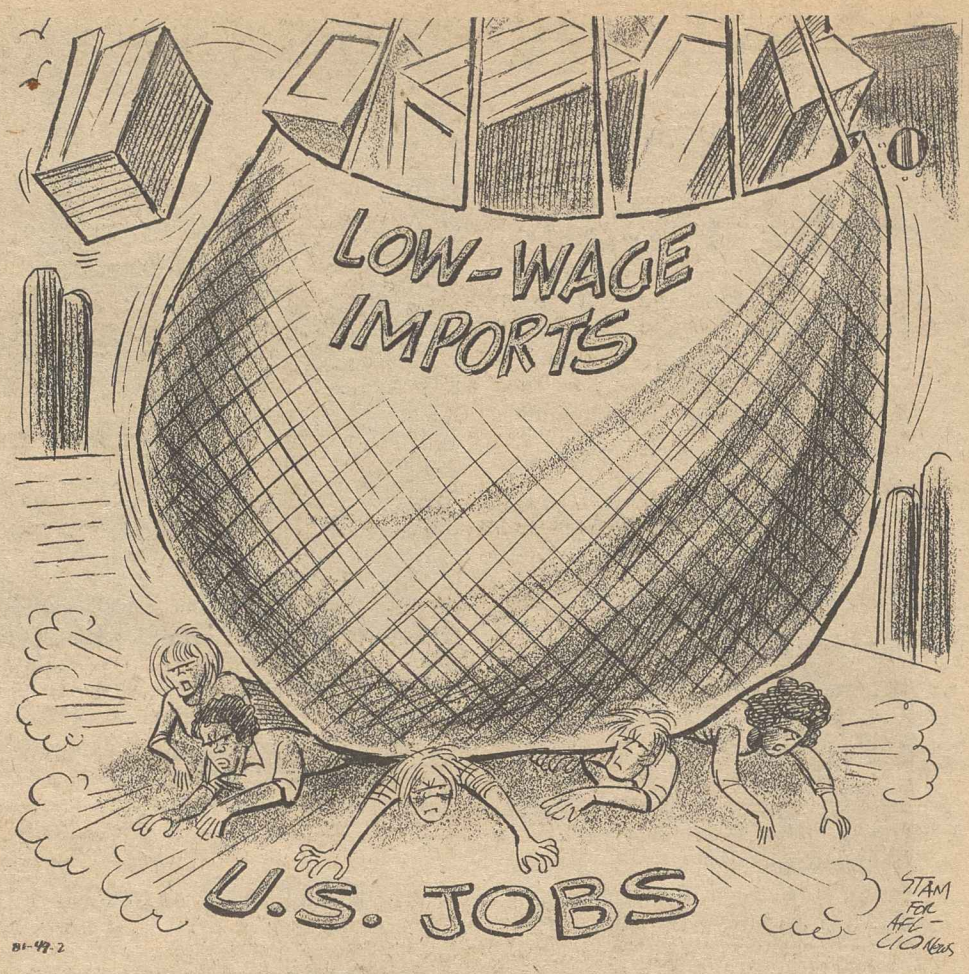
LEONARD PAGE, assistant general counsel of the Auto Workers, said the Reagan Administration's welfare "safety net" simply isn't big enough to hold the many thousands of families left destitute by the curtailment of trade adjustment benefits.

At the House hearings, Oswald stressed the AFL-CIO's strong belief that the United States must retain its industrial base and have a "diversified manufacturing, agricultural and service economy."

He protested the Administration's attempt to portray groups concerned with the damage caused by imports as "special interests."

IN TODAY'S world, Oswald noted, "free trade does not exist. Other nations in the world do not apologize for pursuing their national interest." But the United States is assailed "when suggestions are made to move in U.S. national interests."

He urged Congress to provide "realistic adjustment assistance." Because of generous trade policies, Oswald testified, "millions of Americans have lost their jobs through no fault of their own . . . Devastated communities and eroded tax bases dot the U.S. landscape."



Soviets Assailed on Conduct Leading to Sakharov Fast

The "vindictive, mean-spirited behavior" of the Soviet government in its initial refusal to allow the bride of Andrei Sakharov's stepson to leave the USSR and join her husband in the United States "deserves universal condemnation," the AFL-CIO declared.

"Although we are happy and relieved by the news that Dr. Sakharov and his wife, Yelena G. Bonner, have ended their successful hunger strike, we are outraged that they were forced to this extreme action," Federation President Lane Kirkland said.

"THE FREE MOVEMENT of people and ideas is a right proclaimed in the Helsinki accords, which the Soviet Union signed, and should not require for its implementation the ordeal through which Dr. Sakharov and his wife have passed."

Yelizaveta Alekseyeva, who is married by proxy to Alexey Semyonov, Bonner's son by a former marriage, had sought to join her husband in Newton, Mass. When the Soviet authorities refused to permit her exit, Sakharov and his wife began their hunger strike in protest on Nov. 22.

Sakharov, who was awarded the Nobel Prize for his defense of human rights in the Soviet Union, charged that the 26-year-old woman was being punished for his dissident activities.

SOVIET AUTHORITIES relented and told Alekseyeva on Dec. 9 that she could leave the USSR to join her husband, now a graduate student at Brandeis University. Wire services quoted her saying that Sakharov and Bonner had ended their fast in Gorki, after being told that she would be allowed to emigrate. The physicist was banished to Gorki, an industrial city on the Volga River, in early 1980 because of his outcries over Soviet human rights violations.

The Sakharovs were in the 13th day of their hunger strike when Izvestia, the government newspaper, announced that they had been taken to a hospital for medical help to avoid complications in their health.

The hunger strike caused an international furor, with governments and human rights groups around the world calling for the Soviets to meet Sakharov's demands.

IN WASHINGTON, Sen. Daniel P. Moynihan (D-N.Y.), chief sponsor of a unanimous Senate resolution asking the Soviets to release Alekseyeva, said her release "is a result of the Sakharov's courage and the worldwide demand for decency."

Sen. Paul Tsongas (D-Mass.) and other congressional leaders sent a letter to Soviet Ambassador Anatoly Dobrynin urging "a prompt and humane resolution of this wrenching affair," and Rep. Timothy Wirth (D-Colo.) introduced a resolution in the House accusing Soviet authorities of "maliciously persecuting" Sakharov "for his tireless advocacy of human rights."

Foreign Steel Subsidies Sap U.S. Jobs

The Steelworkers and a steel industry trade association called on President Reagan to take action against a new surge of foreign government-subsidized specialty steel imports from seven countries.

In a petition filed with U.S. Trade Rep. William Brock, the USWA and the Specialty Steel Industry charged that import pentration by government-owned and subsidized steel operations in the seven countries is causing severe injury to American producers and their workers.

THE SEVEN countries named in the petition are Belgium, France, Italy, Britain, Austria, Brazil and Sweden—all signers of a subsidies code under the General Agreement on Tariffs & Trade (GATT).

The charges were brought under Section 301 of the U.S. Trade Act which forbids unfair trade practices such as export subsidies.

USWA President Lloyd McBride noted at a press conference announcing the filing of the petition that well over 20 percent of the workers in the domestic specialty steel industry are unemployed—more than double the national jobless rate.

"THIS TRAGIC loss of jobs and displacement of our people did not come about because our steelworkers are less efficient or less productive than foreign workers," McBride said.

"But our workers cannot compete, any more than American industries can compete, against the massive subsidization of foreign steel mills by their governments," he stressed. "This is not competition at all. It is the penalization of our people for being the most productive, the most efficient, the hardest working."

Eugene Mach, chairman of the trade association's committee on tool and stainless steel, said the U.S. specialty steel industry is recognized as the technological leader by other countries.

"BUT NO MATTER how efficient we are," Mach said, "foreign companies can always undercut us on price because almost all of them are either owned outright or are heavily subsidized by their governments."

As examples, he noted that Britain's steel industry is 79 percent government-owned; Italy's 57 percent, and Sweden's 59 percent.

Specialty steel imports climbed sharply in 1981, rising from 29,000 net tons in the first quarter to 51,000 tons in the third quarter.

American producers have charged that foreign companies were able to capture an increasing share of the U.S. by undercutting the prices of domestic producers by as much as 54 percent.

THE PETITIONERS warned that the domestic specialty steel industry appears to be headed back to the conditions it faced in 1975 when nearly half of its workforce was laid off because of import penetration.

Conditions improved after the United States imposed a three-year limitation in 1976 on imports of tool steel and certain stainless steel products. In mid-1979 a phase-out began, and all import restrictions were lifted in February 1980.

The petition to Brock is one of several avenues of relief available to the specialty steel industry. If Brock accepts the petition, he is required to begin consultation with the seven foreign governments in an effort to work out a remedy.

SHOULD THERE be no remedy resulting from the talks, the President has the authority under U.S. trade law to impose duties and other restrictions or suspend concessions under multilateral trade agreements.

Warning that foreign countries are dumping their unemployment on the United States with their subsidized products, McBride said "it is time for the President to insist that other countries abide by the same rules that our workers and industries must abide by."

Flight Attendants Voting On Texas Airlines Pact

The Flight Attendants reached tentative agreement with Texas International Airlines on a new 37-month contract providing for wage increases and fringe-benefit improvements.

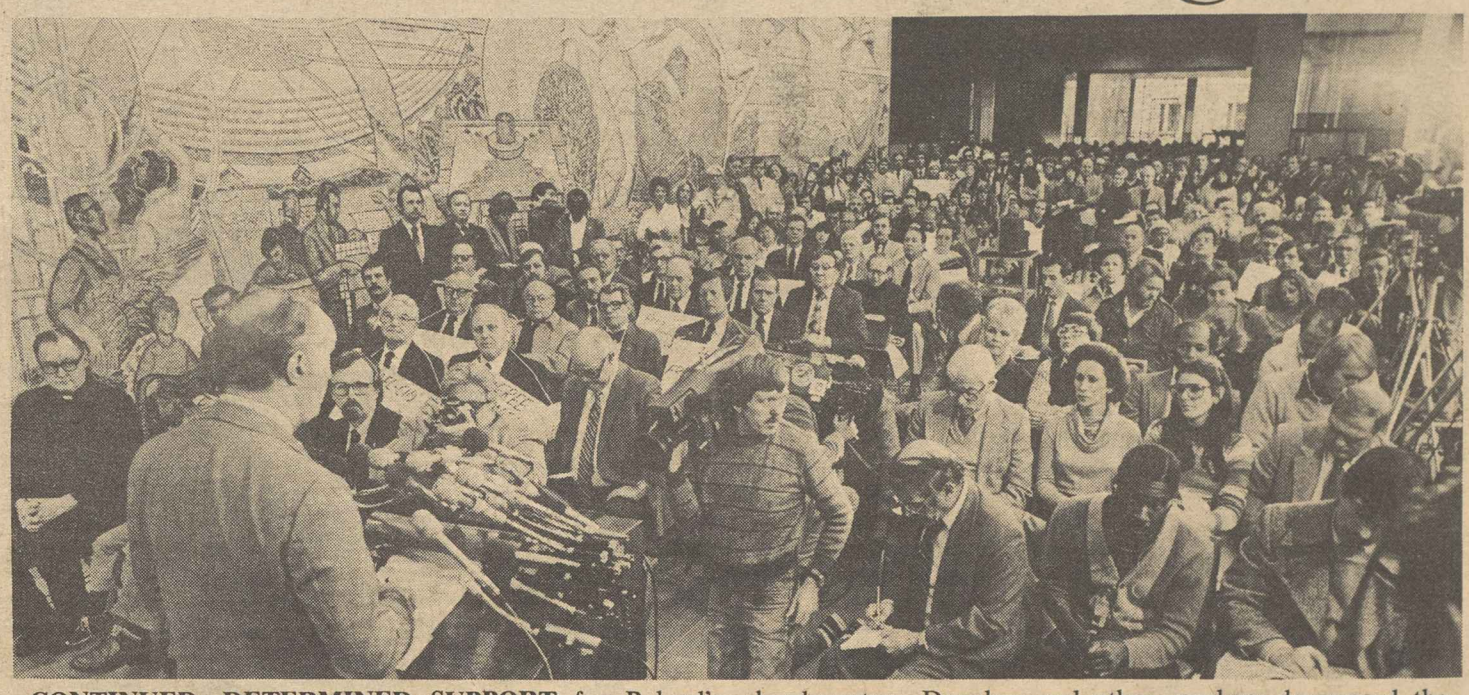
Details of the pact were withheld until members vote on acceptance of the agreement. The mail ballot is expected to be completed by Dec. 18.

The airline and the union had been in negotiations since July 15, 1980, and in mediation since July 29 of this year.

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American Labor Vows Support For Poland's Besieged Workers



CONTINUED, DETERMINED SUPPORT for Poland's Solidarity trade union federation was assured by AFL-CIO Sec.-Treas. Thomas R. Donahue at a rally at federation headquarters. Donahue and other speakers denounced the imposition of martial rule in Poland, suspension of Solidarity's activities, and the jailing of thousands of union leaders.

Crackdown On Unions Condemned

By James M. Shevis

The AFL-CIO issued a swift condemnation of the Polish Communist Party crackdown on Solidarnosc (Solidarity), and pledged its "continued, determined support" of the 16-month-old, independent trade union federation.

"By imposing martial law, banning the activities of Solidarity and its affiliated unions, and jailing many of their leaders, the Polish government is seeking to deprive the Polish people of their strongest instrument for democratic progress and to stamp out the spark of freedom," the federation charged.

"AMID THIS new assault on Polish liberty, American workers reach out to their brothers and sisters in Poland. We renew our pledge to assist Solidarity and its members by all the moral, financial, and physical means at our disposal."

AFL-CIO President Lane Kirkland said that in its support of the Polish workers the federation will cooperate fully with the International Confederation of Free Trade Unions and all other associations and members of the international free trade union movement in taking every possible legal action in support of Solidarity. The ICFTU immediately filed a formal complaint against the Polish government with the International Labor Organization, a specialized agency of the United Nations, for stifling the fledgling Polish labor federation.

The AFL-CIO's European representative, Irving Brown, attended an extraordinary meeting of free world trade union leaders called by the ICFTU at its Brussels headquarters "to examine the situation in Poland, and to decide the initiatives to be taken with the aim of re-establishing in Poland trade union rights and freedoms." **(Story, Page 3.)**

As a signatory of ILO conventions No. 87 and 98, the Polish government is committed to respecting union rights of freedom of association, organizing, and collective bargaining.

FROM LONDON, where he stopped to confer with British Trades Union Congress leaders after a meeting of the Trade Union Advisory Committee of the Organization for Economic Cooperation & Development in Paris, Kirkland called on the Polish government to cease its repression of Solidarity and its leaders as a signal to

(Continued on Page 3)

AFL-CIO News

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Labor Urges Tightening Election Law

The AFL-CIO urged Congress to tighten rather than loosen limits on contributions to congressional candidates and to maintain an independent Federal Election Commission to enforce campaign laws.

A statement submitted to the Senate Rules Committee stressed the AFL-CIO's concern that large contributions have become increasingly significant in the political process despite efforts by Congress to curb abuses.

THE NUMBER of business-related political action committees (PACs) has increased tenfold since 1974, the AFL-CIO noted, and accounted for $35 million in contributions to candidates for the House and Senate in the 1980 elections.

"These PACs are merely the alter ego of small groups of business executives and professional people who also make large contributions of their own," the AFL-CIO said. "The result is that the already disproportionate influence which these wealthy individuals have on the political process is further augmented."

The statement reiterated the AFL-CIO's preference for public financing of congressional elections and said it would "have the same positive result" that public financ-

(Continued on Page 7)

Benefit Floor Restored For Current Retirees

By David L. Perlman

Congress remedied part of the damage inflicted on the social security system by the Administration-dictated budget cuts it enacted earlier this year and adjourned until Jan. 25, when the second session convenes.

It adopted a compromise bill which retains the $122-a-month minimum social security benefit for some 3 million persons who were about to have their payments slashed, but which also takes some backward steps.

AFL-CIO SOCIAL SECURITY Director Bert Seidman especially deplored the decision by a House-Senate conference committee to eliminate the minimum benefit for persons who become eligible for retirement or survivorship payments after Dec. 31.

Many low-paid workers will be penalized by that action, Seidman protested.

"Also unfortunate," he said, was the decision to make the first six months of sick pay subject to the social security payroll tax, "thus placing an added financial burden on workers at a time of reduced income and high medical expenses."

ON THE PLUS side, Seidman noted, the final version of the legislation maintains the family benefit entitlements of present law.

The Senate version would have penalized both large families and low-wage earners. It would have set a ceiling on total family benefits of 150 percent of the worker's primary insurance amount or 85 percent of average indexed lifetime monthly earnings, whichever was lower.

In a letter to House-Senate conferees, the AFL-CIO had protested that the effect would be to reduce benefits "among those who need them the most." Large families could have received no more than a retired couple under the Senate plan.

Included in the bill cleared for the President's signature is authority for borrowing among the various social security trust funds to deal with temporary fluctuations when one fund shows a surplus and another is underfinanced. But the authority extends only through the 1982 calendar year.

Additional action to bolster social security funding should be taken by Congress next year before the borrowing authority expires, Seidman urged.

A bipartisan 15-member task force has been named by President Reagan and congressional leaders to make recommendations for dealing with the funding problem.

As a practical matter, the minimum benefit was in the process of a gradual phaseout. Congress in 1977 froze the minimum at $122 a month so that its

(Continued on Page 8)

Congress Votes New Program Cuts

At President Reagan's insistence, Congress adopted a second round of budget cuts that will compel further retrenchment in nearly all of the government's non-military programs.

The latest slash was embodied in a resolution providing stopgap funding for government agencies whose appropriations have not yet cleared Congress.

IT WOULD compel an additional $4 billion in new spending cuts for the fiscal year that started last Oct. 1, based on a 4-percent across-the-board reduction for all but a few exempted functions. On some programs labor considers important, the cuts were substantially greater.

Republicans described the measure as a compromise since the spending reduction was less than Reagan had proposed last September. But its impact will be far more than the indicated 4 percent because the cuts will have to be absorbed during the balance of the fiscal year.

The continuing funding resolution had to be enacted before Congress could adjourn, and the House Democratic leadership tried to compel Reagan to accept a smaller reduction. Reagan had vetoed an earlier version because it didn't meet his specifications.

ON THE KEY vote, however, 36 "boll weevil" Democrats voted against their party's position and only three "gypsy moth" Republican moderates crossed the other way. The Republican substitute was then adopted and passed by the Senate intact.

In the Republican-controlled Senate, every attempt to modify the new round of Reagan budget cuts was handily beaten back.

Typical were two rollcalls appearing in this issue of the AFL-CIO News on Page 6.

On one, Senators Edward M. Kennedy (D-Mass.) and Donald W. Riegle, Jr., (D-Mich.) sought to restore a staggering 12 percent slash in funds for states to administer their unemployment compensation programs.

Another amendment that failed was an attempt by Sen. Robert C. Byrd (D-W.Va.), the minority leader, to prevent a cut in funds for mine safety enforcement after a week in which a series of mine disasters had taken 27 lives.

THE FUNDING resolution included a pay raise for top government executives who had missed out on recent annual salary increases because of a $50,112 pay ceiling. The ceiling was raised to $57,500, effective Jan. 1.

However, the Administration was unable to get approval of the extra pay raise it sought for air traffic controllers who stayed on the job during the PATCO strike and who replaced strikers. The provision was stricken from the House bill by a point of order.

Anti-Picket Amendment Hit as Unfair

The AFL-CIO presented the case against anti-union amendments to the Hobbs Act to a House Judiciary subcommittee that is considering an overhaul of the U.S. criminal code.

Legislation being pushed by the National Right to Work Committee would treat minor and isolated picket-line misconduct as serious federal crimes, punishable by up to 20 years in prison.

A BILL introduced by Rep. J. Kenneth Robinson (R-Va.) is almost identical to the measure sponsored by Sen. Strom Thurmond (R-S.C.), which was the subject of Senate hearings the previous week.

AFL-CIO Special Counsel Laurence Gold, who testified at both hearings, charged that the proposed amendments would put the federal government on the employer's side in labor disputes.

There is no demonstrated need for new federal legislation, Gold insisted, and enforcement of such a bill would compel creation of a national police force.

Gold stressed that neither the AFL-CIO nor any of its affiliates condones picket line misconduct.

LOCAL AND STATE laws are fully adequate to deal with offenses by strikers or employers, he stressed, and are already backed up by federal laws dealing with specific areas of interstate crime.

With federal law enforcement capabilities being cut back, Gold testified, "it does not make sense to require the FBI and federal prosecutors to keep their eyes on the factories and workers of America and to pursue individuals already subject to arrest by local police under local laws dealing with assaults and vandalism, while drug pushers and narcotics importers, arson-for-profit businessmen and stock swindlers breathe easy."



ATTEMPT TO PUSH THROUGH a Hobbs Act amendment making picket line disturbances a federal crime is really an anti-union campaign by the National Right to Work Committee, AFL-CIO Special Counsel Laurence Gold testified before a Senate subcommittee. He was accompanied by Federation Legislative Director Ray Denison, left, and Howard Marlowe, associate director.

Coalition Presses Exports Of Processed Farm Goods

A new union-industry coalition is promoting the expansion of processed farm products for export as a means of spurring jobs creation and stimulating economic growth.

The educational and legislative campaign of the Export Processing Industry Coalition (EPIC) hopes to offset the current emphasis in U.S. agricultural export policy toward the shipment of raw commodities, such as wheat, feed grains, soybeans and cotton.

WHILE AGRICULTURAL exports have increased from $6.7 billion in 1970 to $40.5 billion in 1980, EPIC noted that the proportion of processed farm products has dropped sharply over the decade.

As an example, it pointed out that 11.8 percent of U.S. wheat exports were in the form of processed flour in 1970, compared with only 3.2 percent in 1980.

If just 10 percent of current wheat exports were processed before leaving U.S. ports, the difference would mean a $5.6-billion increase in business activity and the addition of 122,400 jobs, EPIC concluded from a study done for the U.S. Dept. of Agriculture.

It said a similar growth pattern could be realized if the U.S. corn milling and soybean processing industries gained a 10-percent share of the exports.

The principal organizations of EPIC are the AFL-CIO Industrial Union Dept., the Corn Refiners Association, Millers' National Federation and the National Soybean Processors Association.

ELEVEN AFL-CIO affiliates are also participating in the coalition. They are the Allied Industrial Workers, Grain Millers, the Bakery, Confectionery & Tobacco Workers, Molders, Operating Engineers, Woodworkers, the Oil, Chemical & Atomic Workers, Carpenters, the Cement, Lime & Gypsum Workers, Food & Commercial Workers and the Steelworkers.

Nolan Hancock, EPIC labor coordinator and OCAW legislative director, said numerous plant shutdowns have resulted from the declining U.S. role in the processing of farm products for export.

"We are not only losing jobs," he observed, "we are losing the added value to our entire economy that flows from domestic processing."

8 Rail Unions Ratify Accord For 240,000

Eight unions with members employed by the nation's major railroads have ratified new contracts drawn up last month, while five others are in various stages of negotiations with the industry.

Approval of the pacts by the eight unions was overwhelming. The Railway & Airline Clerks, which represents about 100,000 workers, voted by a 9 to 1 margin in favor of the 39-month wage and benefits package and the Machinists by a 2 to 1 margin.

Also ratifying the agreement were the Maintenance of Way Employees, the Carmen, the Boilermakers & Blacksmiths, the Sheet Metal Workers, the International Brotherhood of Electrical Workers, and the Signalmen. The eight unions together represent about 240,000 workers.

Retroactive to Apr. 1, the new contracts provide a maximum average hourly increase of $3.33 over the life of the agreements. Improvements in fringe benefits, such as personal leave days, an additional holiday, improved vacations, and added health, welfare and dental benefits, are also included in the pacts.

The five unions still negotiating with the National Railway Labor Conference, the industry's bargaining arm, are the Locomotive Engineers, Firemen & Oilers, Yardmasters, United Transportation Union, and the Train Dispatchers. They represent a total of about 200,000 workers.

RLEA Picks Hardin As New Chairman

Fred A. Hardin, president of the United Transportation Union, was elected chairman of the Railway Labor Executives' Association at the RLEA's fall meeting.

Hardin fills the vacancy created by the death of Fred J. Kroll, president of the Railway & Airline Clerks.

Ole M. Berge, president of the Maintenance of Way Employes, was elected vice chairman, succeeding Carmen's President O. W. Jacobson, who did not run for the office.

BRAC Legislative Director James Kennedy was elected executive secretary-treasurer, suceeding C. M. McIntosh. McIntosh was named to the newly created position of administrator.

The new officers assume their duties on Jan. 1. Their terms are for three years.

Hardin paid special tribute to Jacobson, who served as interim chairman of RLEA following Kroll's death on July 30.

Jerry Wurf Dies at 62, Led AFSCME 17 Years

Jerry Wurf, who led the State, County & Municipal Employees during a 17-year period of dramatic growth in membership and influence, died at the age of 62.

Tributes to AFSCME's president came from government and union leaders, and from workers whose lives he had touched during a life dedicated to the union cause.

"THE LABOR MOVEMENT is richer because he passed our way," AFL-CIO President Lane Kirkland and Sec.-Treas. Thomas R. Donahue said in a joint statement. "All American workers and especially public employees will continue to benefit from the paths he pioneered."

Wurf was an AFL-CIO vice president and served on the federation's Executive Council since 1969.

He died of cardiac arrest at George Washington University Hospital six weeks after surgery for a gastric ulcer.

AT A DEC. 16 memorial service at the Washington Hebrew Congregation, 1,800 friends and admirers took part.

From his own union, AFSCME Sec.-Treas. William Lucy and the Rev. Albert Blatz, an AFSCME vice president, spoke in tribute. The president of the Public Services International, Heinz Kluncker, and the president of the Canadian Union of Public Employees, Grace Hartman, were among the speakers.

House Speaker Thomas P. O'Neill, Jr., Msgr. George G. Higgins, University of Colorado President Arnold Weber and Columnist Charles Bartlett were others who spoke at the memorial.

DURING HIS 17 years as president of the AFSCME, the union's membership rose from 240,000 to nearly 1 million.

Wurf's trade union career spanned four decades. In 1940, after graduating from New York University, he went to work in a cafeteria and promptly helped organize the workers as a local of the Hotel & Restaurant Employees. He later served as an organizer and welfare fund administrator of the union's Local 448.

He joined the AFSCME staff in 1947 as an organizer and was instrumental in winning a number of key representation struggles during the next 11 years. In 1959, Wurf became executive director of the union's District Council 37 in New York, the post he held until his election as president of AFSCME in 1964.

Wurf served on the executive boards of the Leadership Conference on Civil Rights, Americans for Democratic Action and the Jewish Labor Committee. He also had been a vice president of the AFL-CIO Industrial Union Dept., served on the executive board of the federation's Maritime Trades Dept., and was a member of the Democratic National Committee.

Survivors include his wife, Mildred, and three children.



JERRY WURF

State-County Board Elects McEntee as New President

The executive board of the State, County & Municipal Employees elected Gerald W. McEntee of Pennsylvania as the union's new president to fill the vacancy left by the death of Jerry Wurf.

McEntee, 46, was elected by a vote of 483,080 to 449,911 for William Lucy, AFSCME secretary-treasurer, at the Dec. 16 board meeting.

McENTEE WILL serve out the remaining 2½ years of Wurf's term, until the summer of 1984. The election, in which 24 members of the AFSCME board voted the membership strength in their districts, was supervised by the American Arbitration Association.

At a press conference following his swearing-in, McEntee pledged to continue the union's "well-earned reputation for effective bargaining and aggressive organizing," starting "next year when we will negotiate contracts for half a million public employees."

McEntee was executive director of the union's 75,000-member Council 13, a post he has held since 1973. He has a degree in economics from LaSalle and began work in 1958 for AFSCME. His father, William McEntee, headed AFSCME Council 33, which represents Philadelphia city employees.

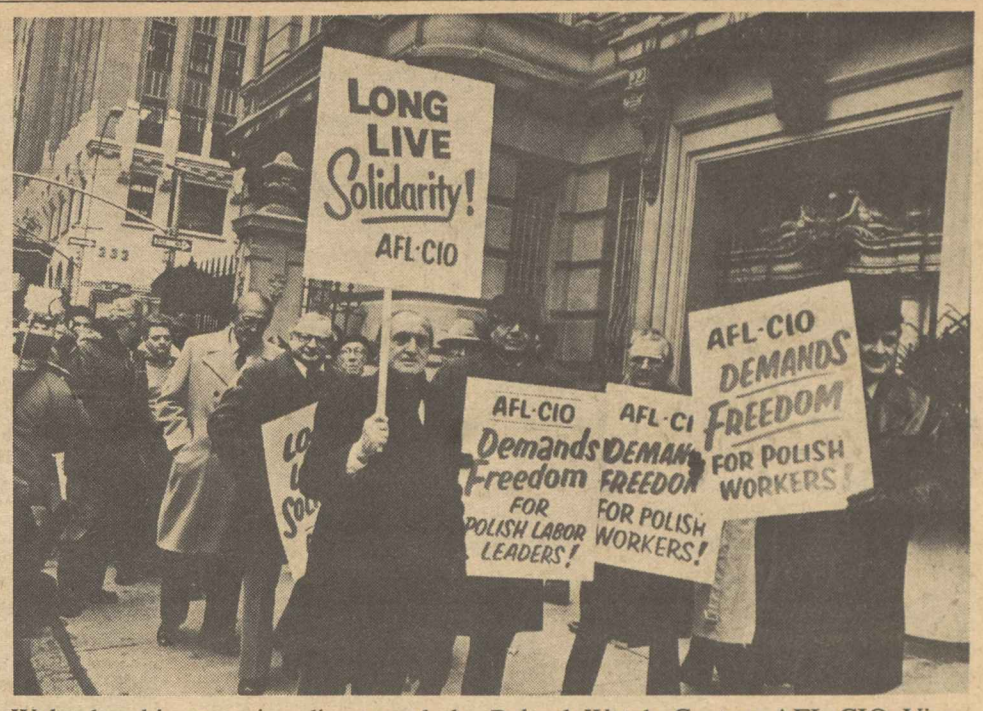
McEntee told reporters that his election came after a "spirited campaign which reflected credit on the organization" and thanked Lucy for "one of the finest speeches of aggressive unionism I have ever heard" to the board following the vote.

AS ACTING president after Wurf's death, Lucy administered the oath of office to McEntee and introduced him to the press conference. Both said they concur in goals, and McEntee said Wurf had charted "an aggressive and postive course" that he would continue to follow.

McEntee said he wouldn't attempt more than broad outlines of AFSCME goals, but "certain things should be obvious, however. The current occupant of the White House has put this nation on a course that may very well end in economic chaos. This we will continue to resist."

In response to reporters' questions about hopes within AFSCME that Lucy would be the first black to head a U.S. union of that size, McEntee said "Bill Lucy didn't get that vote because he is black, but because he is an effective trade union leader."





BANNER OF THE BELEAGUERED Polish trade union federation Solidarnosc (Solidarity) is displayed by speakers at the AFL-CIO's Washington rally in support of the Polish workers. The flag, brought back from Poland in September by Msgr. George G. Higgins, left, as a gift to the AFL-CIO from Solidarity, will be displayed as a symbol of the American labor movement's continuing support, Federation Sec.-Treas. Thomas R. Donahue said. Shown above also are Tadeusz Walendowski, executive director of the Poland Watch Center; AFL-CIO Vice President Martin J. Ward, and Walendowski's son, Elias. In photo at right, AFL-CIO Regional Director Michael Mann and other unionists protest the repression of Polish workers' rights in a demonstration outside the Polish consulate in New York. Similar demonstrations were mounted by labor and Polish-American groups throughout the nation as the crisis in Poland deepened.

American Labor Rallies Support for Solidarity

(Continued from Page 1)

the world that it intends to honor its commitments under the ILO conventions.

Kirkland called upon the governments and people of the free world to raise their voices in protest against the destruction of human rights in Poland, and to take whatever diplomatic and economic measures are necessary to dissuade the Polish government from its "brutal and reckless" course.

ILO Director-Gen. Francis Blanchard in Geneva cabled the Polish government in Warsaw his "deep concern" over the restrictions on the trade union rights of Polish workers, and called for the release of imprisoned Solidarity leaders. A similar plea came from Poland's Roman Catholic Church, perhaps the most powerful voice in the country. Archbishop Josef Glemp and a council of Polish bishops issued a strongly worded statement calling for the release of all interned trade unionists and the "revival of the labor union Solidarity."

The chief of the Polish government, Gen. Wojciech Jaruzelski, ordered the imposition of martial law as of midnight, Dec. 12, declaring a "state of war," the equivalent of a state of emergency in other countries.

HE FOLLOWED up the announcement with the appointment of a 21-member military council of "national salvation" as the top authority in Poland. Made up primarily of the nation's highest-ranking generals, the council issued a proclamation saying that it would rule the country "until the situation becomes normalized." It said the emergency rule was needed because Poland was "threatened by mortal danger," and charged that "forces hostile to socialism" were preparing for a "reactionary coup."

The creation of military rule came after two weeks of rapidly rising tension between Solidarity and the Polish government, and followed a meeting of the union's leadership in Gdansk where a nationwide referendum was proposed on setting up a non-communist government and defining the country's military relationship with the Soviet Union. Poland and other East European Soviet satellite nations belong to the USSR-dominated Warsaw military pact. The referendum would have been held by Solidarity among non-union Poles as well as the federation's 10-million members if Jaruzelski did not agree to a series of key union demands by the end of the year.

IN COORDINATED predawn raids, Polish police and security forces, along with several thousand army troops, entered Solidarity offices across the country, taking many union leaders prisoner and confiscating files. A 10 p.m. to 6 a.m. curfew was put into effect. All trade union activity, strikes and public gatherings except for religious services were banned. Airports were closed, borders sealed to prevent Poles from leaving the country, and all normal lines of communication cut off.

Within hours of the announcement of martial law in Poland, Kirkland and the AFL-CIO were in touch with the Administration, the State Dept., the ILO, ICFTU, and other agencies, making the strongest representations in behalf of the Polish workers.

AT A RALLY at AFL-CIO headquarters, Federation Sec.-Treas. Thomas R. Donahue vowed: "We're going to continue to expend our energies to mount a support campaign in the western world to let the world remember and know of the struggle of the Polish workers and their current plight."

In addition to the Washington rally, the AFL-CIO quickly organized demonstrations in major cities across the United States. The largest outpouring occurred in Chicago, where an estimated 600,000 Polish-Americans reside in the largest ethnic Polish community outside of Warsaw. Held jointly with the Polish-American Congress, the rally drew over 10,000 demonstrators to Daley Center Plaza in downtown Chicago.

About 600 protestors, waving Polish flags and chanting "Freedom for Poland," rallied outside the Polish consulate in New York, and hundreds more demonstrated in the Dorchester section of Boston. Labor rallies in support of the Polish workers also took place in Milwaukee, San Francisco, and Cleveland, and candlelight vigils were held near the Polish embassy in Washington.

IN NEW BRITAIN, Conn., a rally followed by a Mass for Peace was scheduled for Dec. 20. Sponsors were the Connecticut State AFL-CIO, the New Britain Central Labor Council, and the city's Polish community and clergy.

At the AFL-CIO Washington rally, some 400 Solidarity supporters stood and cheered as Polish refugee Tadeusz Walendowski warned that the Polish government, "by making Solidarity illegal . . . is trying to make illegal the Polish nation. Such an action should be, and will be, opposed by virtually all Poles, no matter if they are in Poland or abroad."

Walendowski, executive director of the Poland Watch Center, which plays an ad hoc role in coordinating the activities of Polish-American organizations in the United States, read a statement of the Committee in Support of Solidarity, signed by leading Polish and Polish-American intellectuals, appealing to "every democratic government, and to all those who believe in the Polish people's right to basic freedoms immediately to halt all transactions, economic and other, with Poland until every member of Solidarity is freed."

MSGR. GEORGE G. Higgins of Catholic University, who delivered Kirkland's message to Solidarity's first national congress in September after the AFL-CIO president was denied a visa to enter Poland, said he came away from that meeting convinced that "the one, great notable virtue of the people in Solidarity, and of the Polish people in general, is their courage," and he admonished those who are ready to count out the Polish labor federation to think again.

Solidarity "is not finished, and it will not be finished," Higgins said. "It speaks for most of the people of Poland. The government does not. Solidarity includes at least a million members of the Communist Party out of three or four million."

Federation Vice President Martin J. Ward, chairman of the federation's Committee on International Affairs, said the creation of Solidarity—the first trade union movement anywhere in the Soviet empire—was a profound embarrassment to the ruling communists in Poland.

"The fact that the workers of Poland felt themselves compelled to create a new trade union movement to defend their interests is a vindication of the longstanding AFL-CIO position that the official unions in communist countries do not represent workers but are the instruments of the totalitarian state," Ward charged.

In closing remarks, Donahue noted that all the gains Solidarity has amassed since the historic workers' revolt in August 1980 are threatened by the imposition of martial law. Today, all of the union's glowing future "hangs in the balance," as the Polish government's resort to repression deepens, he warned.

Donahue also lashed out at media commentators who have pictured Solidarity as the culprit in the current confrontation with the Polish authorities.

"THAT IS SHEER nonsense," he said. "Solidarity has demonstrated a degree of great sophistication about its bargaining tactics and a patience and a willingness to compromise that few in the western democracies or in the East European dictatorships expected. . . .

"The government's provocations, on the other hand, have surely not shown the same degree of flexibility. The threat to pass a law banning strikes and further regulating trade union activity were indeed the final straws—not the other way around."

Information on the immediate response of Polish workers to the crackdown remained sketchy throughout the first few days of the new military regime because of the communications blackout. Solidarity Chairman Lech Walesa, who was to have addressed the AFL-CIO's convention last month but stayed in Poland due to the tense situation there, was detained by the government near Warsaw. Solidarity sources told reporters that the Polish labor leader, who had become a symbol of the campaign for democratic renewal in the Soviet Union's most populous ally, remained defiant.

DIPLOMATIC reports and wire service stories reaching the West, however, indicated that strikes and opposition to the military takover were spreading. Thousands of Solidarity officials across the country were detained under the new military rule.

Despite the communications blackout, a Solidarity strike committee formed in the city of Szczecin near the Baltic Sea coast was able to get a message out of the country on a boat bound for Sweden. It appealed to the West to support the Polish workers with protests over the detention of the Solidarity officials.

"Be with us in our hour of darkness," it pleaded.

Worldwide Protest Spurred Among Free Trade Unions

Brussels—In the wake of the military crackdown on Solidarity, the International Confederation of Free Trade Unions called on its 130 affiliated organizations throughout the free world to "undertake immediate and continuous protest actions" in support of the Polish workers' struggle for human and trade-union rights.

At a special meeting at ICFTU headquarters here, representatives of western national trade-union centers, including the AFL-CIO's European representative, Irving Brown, adopted a series of initiatives aimed at restoring freedoms in the Soviet satellite nation.

Among these was a call to member organizations to exert strong pressure on their respective governments to press Polish authorities to observe fully the international conventions on freedom of association, which Poland ratified in 1957.

ICFTU affiliates, representing a worldwide total of about 70 million workers, also were urged to make representations to the Polish ambassadors in their countries with a view toward establishing democratic procedures to ensure that material assistance given to Poland does, in fact, reach those parts of the population that are most in need of it.

'Their Battle Is Ours'

THE AFL-CIO strongly condemns the action of the Polish government in seeking to suppress and crush the free trade union created by Polish workers—Solidarnosc.

We have been in direct contact with our own government and the International Labor Organization urging every effort to secure the immediate release of the detained Polish labor leaders and the restoration of trade union rights.

The actions of the Polish government are in direct violation of the ILO's Convention 87, guaranteeing freedom of association—a convention to which Poland is a signatory. We call upon the ILO to make strong representation to the Polish government to honor Convention 87.

The AFL-CIO insists that the Polish government cease its present course of action and release the Solidarnosc leaders as a signal to the world that it intends to honor its commitments.

THE PROBLEMS within Poland have not been caused by the Polish workers or their union. They have been caused by governments that have consistently dealt in bad faith with the Polish people.

These problems must be solved by the Poles themselves, free of all outside interference. Solutions can be found when the Polish government halts its efforts to stifle dissent and begins to negotiate in a forthright manner with Solidarnosc.

The AFL-CIO pledges its full support to our Polish brothers and sisters. We do not presume to recommend what Solidarnosc should or should not do. These are decisions that only the Polish workers can make for themselves. Whatever the decisions of these courageous people, we shall do what we can to assist them.

IN THIS EFFORT, the AFL-CIO will cooperate fully with the International Confederation of Free Trade Unions and its affiliates. We are in close contact with the ICFTU, working with it to coordinate and rally support for Polish workers.

Poland's working men and women are struggling against tremendous odds to build and maintain an effective free trade union. Their battle is ours. We shall not let them down.

We call upon the governments and people of the free world to raise their voices in protest against the ongoing destruction of human rights in Poland.

—AFL-CIO President Lane Kirkland, Dec. 14, 1981.



Not Even a Trickle

OBVIOUSLY, hot meals for the low-income, homebound elderly are not high on the Reagan Administration's budget priorities.

A New York Times article describes a neighborhood Meals on Wheels program that has had to cut back its assistance from two meals a day for 350 people in 1977 to one meal for five days a week to 250 recipients, whose average age is 83. On weekends, they do without.

The Administration position is that private charity—"voluntarism"—is best suited for such purposes. But alas, when the Meals on Wheels center solicited 85 food corporations to help fill Christmas baskets for the homebound, it came away with nothing—not even a trickle.

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THOMAS R. DONAHUE, *Secretary-Treasurer*

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Short-Range Vision

High Profits, Poor Management Blamed for U.S. Auto Decline

By Gus Tyler

THE EXPERIENCE of Sony in its San Diego, Calif., plant murders many myths about the indolence and the irresponsibility of the American worker ever since his alleged fall from the Protestant work ethic that, according to some sources, is now the very special preserve of the very non-Protestant Japanese.

The Sony plant, built in 1972, "now holds Sony's worldwide record for quality of 200 days of production without a major defect," according to testimony submitted to the Joint Economic Committee of the U.S. Congress by H. William Tanaka, a lawyer who, because of his expertise in international trade, was asked to prepare a study for the congressional committee.

TANAKA ADDS that "studies of defects and their causes have shown that over 80 percent are correctible only by management—design changes, for example—and not by workers."

American workers broke the record for quality because they were operating under "management methods that the Japanese have been perfecting for many years." At a time when American auto manufacturers, for instance, were planning poor quality as part of their policy of planned obsolescence, Japan decided to concentrate on quality, using "concepts of quality control that came from the United States."

American car makers were not interested. They preferred to turn out vehicles that would break down on schedule so that the company could sell new parts and new cars.

DETROIT ALSO opted for big cars. That was their passion because, says Tanaka, "large cars are far more profitable to build than small cars."

As to labor costs, adds Tanaka, "contrary to popular myth, the U.S. automotive industry's failure to compete with imports has little to do with the hourly wages paid American workers."

But our failure has a lot to do with the once high profits of the auto makers. "General Motors' profit on each vehicle it produces is about three times that of its foreign competitors." Foreign manufacturers "accept smaller profits than American corporations."

The contrasting policies of Japanese and American auto makers are a striking example of the difference between short-range and long-range policies.

American makers were smart—in the short run: high profits for the company from "planned obsolescence" and from the mania for big cars.

Japanese makers were smart—in the long run: working at quality control, selling at low profits, and focusing on the small car.

THERE IS another, perhaps more basic difference. "The Japanese emphasis on quality," notes Tanaka, "has been an integral part of Japan's national strategy to build an export economy, not just a company-by-company decision."

In other words, the Japanese have had a plan to be Number One auto maker while we leave it to the "market forces"—forces that are motivated by the short-run profits of a company rather than the long-range strength of the country.

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A Ploy to Undermine Collective Bargaining

The bill to amend the Hobbs Act represents a serious departure from the principle that the federal government should not side with either management or labor during legitimate labor disputes.

In practical terms, it would require a national police force to supervise the orderly conduct of strikes.

There is no factual case for its enactment.

The major backing comes from the National Right to Work Committee, an employer-financed front organization which supports neither rights nor workers.

This employer front supports the bill in the belief that the legislation will chill the exercise of the right to form and join unions, will intimidate workers and will embolden anti-union employers to crush organizing efforts and strikes.

Using the bill as a vehicle, the "right-to-work" front is churning the direct mail factories of the radical right to raise funds for its anti-worker war chest. The ultimate goal is to undermine collective bargaining.

—From AFL-CIO testimony at House and Senate hearings.

AFL-CIO's Pledge

Support for Poland's Workers

From speech by Martin J. Ward, chairman of the AFL-CIO Committee on International Affairs, to rally at AFL-CIO headquarters in support of Polish workers:

THE CREATION of Solidarity, the first trade union movement anywhere in the Soviet empire, inspired workers everywhere. It was a profound embarrassment to communists and their apologists. It undermined the legitimacy of their claim that the communist state itself is an instrument of workers and exists to promote their welfare.

The fact that the workers of Poland felt themselves compelled to create a new trade union movement to defend their interests is a vindication of the longstanding AFL-CIO position that the official unions in communist countries do not represent workers but are the instruments of the totalitarian state.

IN RESPONSE to appeals from Solidarity, the AFL-CIO established a Polish Workers Aid Fund to raise money to buy office supplies and equipment which Solidarity asked for. They needed everything—desks, Xerox machines, typewriters, offset printing presses, and even paper to print on, which was not available in Poland except through government agencies. I am proud to say that the American workers and their unions gave more than $250,000 for that purpose. We bought the materials that Solidarity asked for and sent them on with the help of European trade union centers and the help of the ICFTU.

We also did more than that. We urged the government of the United States to provide economic assistance to the government of Poland, on condition that the Polish government honor the agreement that it reached with Solidarity and that it signed in August of 1980.

These actions were endorsed and re-asserted by the delegates at the AFL-CIO convention last month, who added in a policy statement that American workers stand ready to give further assistance, including food and medicine.

IN ALL OF our actions in support of Solidarity, we have made it clear that we have no wish whatever to intervene in Solidarity's policies or give any political or economic advice. Solidarity has not asked for our advice in such matters, and we have not offered any.

The workers of Poland alone can decide what they need and want to do. Our job is to provide fraternal support and encouragement and to provide the materials they need.

We have been watching with great admiration over the last few months while Solidarity and its officers walked a tightrope in their relations with the Polish communist government. We are outraged by the action taken over the weekend to impose martial law and military dictatorship.

We believe that Polish workers are tough enough to stand fast and help get their country back on the track. We will continue to give them all the support we can through every avenue open to us.

Solidarity's Role

Authentic Voice of the People

From remarks by Msgr. George G. Higgins at the AFL-CIO headquarters rally:

SOLIDARITY IS the authentic spokesman of the people of Poland. Their movement will not be put down. Against impossible odds, they succeeded in forcing the government to recognize their rights to establish autonomous unions independent of the government and their right to strike.

I had the privilege of addressing the Solidarity convention in Gdansk. I said at that time, and I meant it, that I had not come to Poland to interfere directly or indirectly in the internal affairs of that nation. And I would not presume to do that today. Solidarity needs no advice from me, nor does the Polish government.

WHILE AMERICANS have no right to interfere in the affairs of another nation, they do have a right and a duty to stand up in complete solidarity with the basic human rights of this movement which the government is now in vain trying to suppress.

The one, great notable virtue of the people in Solidarity, and of the Polish people in general, is their courage. The Nazis did their best to destroy the country. The Soviet Union "liberated" them only to try to oppress them again. Other nations in the past few hundred years have tried by every means at their disposal to suppress this brave people, and they have failed. And they will fail this time.

They are not afraid of this government. They are not afraid of the Soviet Union. The present military government may hobble them, constrain them, put them under limitations, but they will not kill this movement. Nothing will.

IT WILL rise again and become, I'm sure, what it was destined to be, a beacon to the entire world that there is life at the end of the tunnel of oppression, not only in Poland but in many other countries throughout the world, including many which can only be described as right-wing dictatorships.

On the way back from Poland, I stopped at a meeting in Geneva of 40 or 50 people from the Third World—from Asia, Latin America, and Africa—and it was clear to me that Solidarity was for them the greatest single beacon of hope that they had seen in their lifetime. Many of them are living under right-wing dictatorships with no freedom to organize, no freedom to strike, but taking new hope from the fact that in the most unlikely place in the world—in Poland, with a communist government—these brave workers succeeded in doing the impossible and establishing the Solidarity movement.

Let us pray that the government meant it when it said in its official announcement that it did not have any intention of turning the clock back. It did not intend to go back beyond August of 1980. It did not intend to abrogate the agreement which it was compelled to make with Solidarity in Gdansk in August 1980. We shall see.

If Reagan Policies Continue

No Relief in Sight for Housing

THE SEVERE DEPRESSION gripping the nation's homebuilding and related industries will deepen in the months ahead if the Administration persists in its tight-money, high-interest policies and housing program cutbacks, AFL-CIO economist Henry Schechter warned.

Schechter said that with the "turnaround point" not even on the horizon, the staggering 18.2-percent construction unemployment rate for November will jump even higher in 1982. He said the recent slight drop of mortgage interest rates has done little to stimulate new home sales which, in October, fell to an all-time low rate.

Very few families, he said, can afford to buy homes under such conditions "and have enough left over to meet their requirements for food, clothing, health care and other essentials.". Schechter, who is director of the AFL-CIO Office of Housing & Monetary Policy, appeared on the network radio interview Labor News Conference.

HE POINTED OUT that the construction and building supplies industries have been hit hard by the deep cuts in federally assisted housing programs which were part of the Administration's budget-cutting spree. He noted that the latest Administration proposals for fiscal year 1983 "call for cutting new federal construction to zero."

Schechter declared that "the tight-money policy pursued in the name of fighting inflation is actually contributing to inflation in the housing sector," and even after the industry recovers, home prices will stay at very high levels. He said that when "housing begins to pick up, the start-up costs will be higher."



By Press Associates, Inc.

ALTHOUGH IT HAS been more than 100 years since Abraham Lincoln issued the Emancipation Proclamation abolishing slavery in the United States, overt and subtle forms of slavery and peonage are still being practiced today.

The documentation of debt slavery and farm labor peonage demonstrates that it is widespread, victimizing thousands of undocumented Hispanics, black and white U.S. citizens and Haitian refugees.

These appalling conditions of depressed servitude were described at a recent New York press conference called by the Workers Defense League, a non-profit organization dedicated to the defense of the rights of labor. The WDL, which has been involved in exposing and campaigning against peonage and forced labor since the early 1940s, cited these cases:

- In Florida, Jose Corona, an orange picker, worked 13 hours a day, seven days a week for four weeks to pay a $200 transportation fee his employer had given a labor smuggler. Other undocumented workers in this grove worked under the supervision of the gun-carrying grower and were threatened with death if they tried to leave.
- In Louisiana, a chicken farmer kept two of his workers chained in a chicken coop to prevent them from running away.
- In Arkansas, farmers bought aliens for $400 each and withheld their wages until the $400 was paid off with their labor. The workers would then be sold to other farmers for $400 and the practice would be repeated. In this way, according to Hugh Williams, a U.S. Border Patrol chief, "the aliens never saw any cash. In effect, each farmer was getting free labor. We found Mexicans who were at their third or fourth farm job and hadn't made a penny the whole time they were in the U.S.—peonage, that's really what it was."
- In Washington, labor peonage was practiced by a Uruguayan diplomat who held his household servant captive in his house. The woman, a foreigner, was not allowed to use the telephone, or to leave the house unaccompanied, and for her duties she received little pay. Her conditions were discovered by Sister Barbara Ham of the Washington Spanish Service Center, who helped the woman escape and found another position for her.

THESE ARE NOT isolated cases, but part of a pattern of illegal and cruel exploitation wherever there are undocumented workers. The threat of violence or exposure prevents most of them from seeking help.

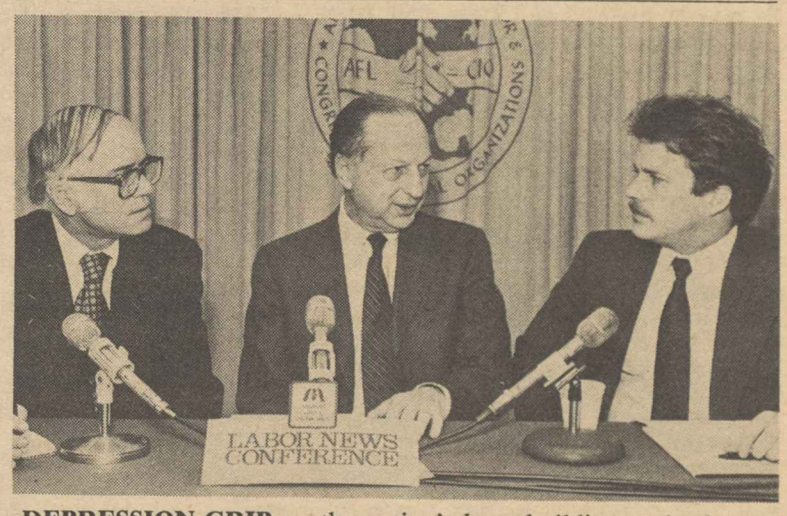
More than 160 leaders in the civil rights, labor and religious movements have joined the WDL in an open letter to President Reagan, asking him to direct the Dept. of Justice to enforce civil rights and labor laws already on the books prohibiting slavery and peonage.

Three signers of the WDL letter to the President urged a clear government policy on the problem.

Murray H. Finley, president of the Clothing & Textile Workers, warned that "the freedom of the country is in danger when we permit the undermining of labor standards and stop enforcing even the basic human rights that protect workers from extortion."

Harry Fleischman, executive committee chairman of the WDL, underlined the need for the President to bolster the federal agencies in order "to bring an end to the latter-day slave trade practiced by illegal contractors."

Benjamin F. McLaurin, long-time civil rights activist, pointed out that today's peonage represents a continuation of practices in the Old South. From his civil rights campaigns with A. Philip Randolph, McLaurin observed that isolation and intimidation, along with endless chains of inflated debts had long served as a means of forcing blacks in rural areas to perform unpaid labor.



DEPRESSION GRIP on the nation's homebuilding and related industries will tighten in coming months if the Administration continues its tight-money policies and housing program cutbacks, AFL-CIO Economist Henry Schechter, center, warned on Labor News Conference. He was questioned by Jerome Cahill, left, of the New York Daily News and Andre Shashaty of Housing & Development Reporter, a publication of the Bureau of National Affairs. The AFL-CIO produced public affairs interview is aired weekly on the Mutual radio network.



ORIGINAL SCULPTURE saluting the AFL-CIO on its centennial is presented to Federation President Lane Kirkland by Alvin F. Friedman, senior vice president of the Amalgamated Bank of Chicago. The work, titled the Second Century, was done by sculptor Richard Hunt under a commission from the bank.

Social Security Task Force Lists Kirkland, Pepper, Ball

AFL-CIO President Lane Kirkland will serve on a bipartisan 15-member task force set up to explore solutions to the social security system's funding problems.

President Reagan named five of the panel members, including Chairman Alan Greenspan, who served as head of the Council of Economic Advisers in the Ford Administration. The other presidential appointees were Alexander B. Trowbridge, president of the National Association of Manufacturers; Robert A. Beck, president of the Prudential Insurance Co.; Mary Falvey Fuller, vice president of the Shaklee Corp. of San Francisco, and Joe D. Waggoner, Jr., a former Democratic congressman from Louisiana.

THE OTHER 10 appointees were chosen by House and Senate leaders. In addition to Kirkland, they are Senators William L. Armstrong (R-Colo.), Robert J. Dole (R-Kan.), John Heinz (R-Pa.) and Daniel Patrick Moynihan (D-N.Y.); Representatives Claude Pepper (D-Fla.), Barber B. Conable, Jr. (R-N.Y.) and Bill Archer (R-Tex.), former Rep. Martha Keys (D-Kan.), and Robert M. Ball, who headed the Social Security Administration from 1962 to 1973.

Reagan announced that he would set up the bipartisan task force after the Administration withdrew most of its proposals for cutbacks in social security programs following a storm of public protest.

AT THE TIME, Reagan said he expects the task force to "come up with a plan that assures the fiscal integrity of social security and that social security recipients will continue to receive their full benefits."

In announcing his appointees to the panel, Reagan told reporters at the White House that "for too long, too many people dependent on social security have been cruelly frightened by individuals seeking political gain through demagoguery and outright falsehood."

California Law Would Curb Abuses by Athletes' Agents

Sacramento, Calif.—California became the first state in the nation to adopt legislation regulating athletes' agents.

The measure had the strong backing of the California AFL-CIO and the Federation of Professional Athletes. It was among 13 major bills backed by the state labor federation that were enacted by the legislature this year.

IN SIGNING the athlete agency law, Gov. Edmund G. Brown, Jr., noted that "for every superstar in professional sports, there are dozens of athletes who must struggle to make a living."

He said the measure would prevent "the infrequent, but nevertheless severe abuses that have afflicted professional athletes in the past."

The law requires athlete agencies and their representatives to register with the state labor commissioner, post surety bonds of at least $10,000, obtain approval of all form contracts, and submit disputes between athletes and their agents to the labor commissioner for adjustment.

The new law gives professional athletes protections similar to those governing talent agencies, performers and musicians.

A key provision of the law states: "No athlete agency shall knowingly secure employment for a person in any place where a strike, lockout, or other labor trouble exists, without notifying the person of such conditions."

PRESIDENT Edward R. Garvey of the Professional Athletes said the passage of the law is a welcome development for the union's members in professional football and soccer.

On hand for the governor's signing ceremony were President Gene Upshaw of the National Football League Players Association; David Meggyesy, assistant to Garvey, and Assemblyman Bill Lockyer, chief sponsor of the bill.

Ken Kramer Dies at 68, Served Labor, Red Cross

Fairfax, Va.—Kenneth L. Kramer, former director of the Red Cross labor participation department, died Dec. 10 at Fairfax Hospital after a heart attack. He was 68.

Before joining the Red Cross in 1956 as a labor consultant, Kramer was an organizer with the Textile Workers. He had earlier served on the staffs of the Ladies' Garment Workers and the Marine & Shipbuilding Workers. He retired from the Red Cross in 1976.

Survivors include his wife Blossom, a daughter and three sons. A memorial service was held at AFL-CIO haedquarters Dec. 15.

For Needed Programs

Senate Rollcall Votes On New Budget Cuts

The Senate defeated labor-supported attempts to protect vital government programs from a new round of budget cuts that are required by a resolution continuing the funding of government programs through next March.

Vote No. 1, *on December 10, is the 65-30 defeat of an amendment to prevent a 12 percent cutback in funds for state administration of unemployment insurance programs—roughly three times the cutback imposed on other programs despite the sharp rise in unemployment that has pushed up the unemployment insurance workload.*

Vote No. 2, *on Dec. 11, is the 54-38 defeat of an amendment to exempt the Mine Safety & Health Administration from an additional 4 percent cut in funds. The vote came within a week of underground coal mine disasters in three states that claimed the lives of 24 miners and the deaths of an additional three workers in surface mining accidents.*

On the rollcalls, R indicates "right" votes for labor's position, W shows "wrong" votes. PR—paired right; PW—paired wrong.

	1	2
ALABAMA		
Denton (R)	W	W
Heflin (D)	W	R
ALASKA		
Murkowski (R)	W	W
Stevens (R)	W	W
ARIZONA		
Goldwater (R)	A	A
DeConcini (D)	W	R
ARKANSAS		
Bumpers (D)	R	R
Pryor (D)	R	R
CALIFORNIA		
Cranston (D)	R	R
Hayakawa (R)	W	W
COLORADO		
Hart (D)	R	R
Armstrong (R)	W	W
CONNECTICUT		
Weicker (R)	W	W
Dodd (D)	R	R
DELAWARE		
Roth (R)	W	W
Biden (D)	R	R
FLORIDA		
Chiles (D)	W	R
Hawkins (R)	W	W
GEORGIA		
Nunn (D)	W	R
Mattingly (R)	W	W
HAWAII		
Inouye (D)	R	R
Matsunaga (D)	R	A
IDAHO		
McClure (R)	W	W
Symms (R)	W	W
ILLINOIS		
Percy (R)	W	W
Dixon (D)	W	R
INDIANA		
Lugar (R)	W	W
Quayle (R)	W	W
IOWA		
Jepsen (R)	W	W
Grassley (R)	W	W
KANSAS		
Dole (R)	W	W
Kassebaum (R)	W	W
KENTUCKY		
Huddleston (D)	R	R
Ford (D)	W	R

	1	2
LOUISIANA		
Long (D)	W	W
Johnston (D)	W	PW
MAINE		
Cohen (R)	W	W
Mitchell (D)	R	R
MARYLAND		
Mathias (R)	A	A
Sarbanes (D)	R	R
MASSACHUSETTS		
Kennedy (D)	R	A
Tsongas (D)	R	R
MICHIGAN		
Riegle (D)	R	R
Levin (D)	R	R
MINNESOTA		
Durenberger (R)	W	W
Boschwitz (R)	W	W
MISSISSIPPI		
Stennis (D)	W	R
Cochran (R)	W	W
MISSOURI		
Eagleton (D)	R	R
Danforth (R)	W	W
MONTANA		
Melcher (D)	R	R
Baucus (D)	R	R
NEBRASKA		
Zorinsky (D)	W	W
Exon (D)	W	R
NEVADA		
Cannon (D)	R	A
Laxalt (R)	W	W
NEW HAMPSHIRE		
Humphrey (R)	W	W
Rudman (R)	W	W
NEW JERSEY		
Williams (D)	R	R
Bradley (D)	R	R
NEW MEXICO		
Domenici (R)	W	W
Schmitt (R)	W	W
NEW YORK		
Moynihan (D)	R	R
D'Amato (R)	W	W
NORTH CAROLINA		
Helms (R)	W	W
East (R)	W	W
NORTH DAKOTA		
Burdick (D)	R	R
Andrews (R)	W	W

	1	2
OHIO		
Glenn (D)	W	R
Metzenbaum (D)	R	A
OKLAHOMA		
Boren (D)	W	R
Nickles (R)	W	W
OREGON		
Hatfield (R)	W	W
Packwood (R)	W	W
PENNSYLVANIA		
Heinz (R)	A	R
Specter (R)	W	R
RHODE ISLAND		
Pell (D)	R	R
Chafee (R)	W	W
SOUTH CAROLINA		
Thurmond (R)	W	W
Hollings (D)	R	R
SOUTH DAKOTA		
Pressler (R)	W	W
Abdnor (R)	W	W
TENNESSEE		
Baker (R)	W	W
Sasser (D)	A	PR
TEXAS		
Tower (R)	A	W
Bentsen (D)	W	W
UTAH		
Garn (R)	W	W
Hatch (R)	W	W
VERMONT		
Stafford (R)	W	W
Leahy (D)	R	R
VIRGINIA		
Byrd (D)	W	W
Warner (R)	W	W
WASHINGTON		
Jackson (D)	R	R
Gorton (R)	W	W
WEST VIRGINIA		
Randolph (D)	R	R
Byrd (D)	R	R
WISCONSIN		
Proxmire (D)	W	W
Kasten (R)	W	W
WYOMING		
Wallop (R)	W	W
Simpson (R)	W	W

Du Pont's Election Tactics Denounced by Steelworkers

Pittsburgh—Loss of representation elections at 14 Du Pont Co. plants "stands as testament to the anti-union sentiment abroad in this nation," Steelworkers President Lloyd McBride said.

Du Pont, the nation's largest chemical manufacturing firm, spent millions of dollars—"far more than it would have on labor agreements—in its frantic efforts to deny and discourage their workers from gaining any meaningful say in their work lives," McBride said, adding:

"THE STEELWORKERS is a strong union, a proud union, and a union that fully intends to continue its vigorous efforts to bring the benefits of trade unionism to unorganized workers, both in the chemical industry and elsewhere."

The hardfought organizing campaign ended with six plants voting to retain their small independent locals while the others chose to remain non-union. About 12,000 of Du Pont's 100,000 domestic employees were involved in the week-long voting supervised by the National Labor Relations Board.

The huge chemical company operates about 100 U.S. plants. About 5 percent of the 66,000 eligible Du Pont employees belong to national unions, while 34 percent are represented by fragmented independent workers' associations.

During the long drive to organize the firm, the company tried to discredit the Steelworkers with films for its workers warning of possible long strikes and other tactics.

UAW Okays Early Talks With Industry

Detroit—The Auto Workers' executive board announced that the union would allow its bargaining councils to decide whether to conduct early negotiations with individual auto firms.

"Each situation is different, and we reached a conclusion that because of the deterioration of the economy it was no longer satisfactory to have one rigid policy," UAW President Douglas A. Fraser said at a news conference at Solidarity House, the union's headquarters here.

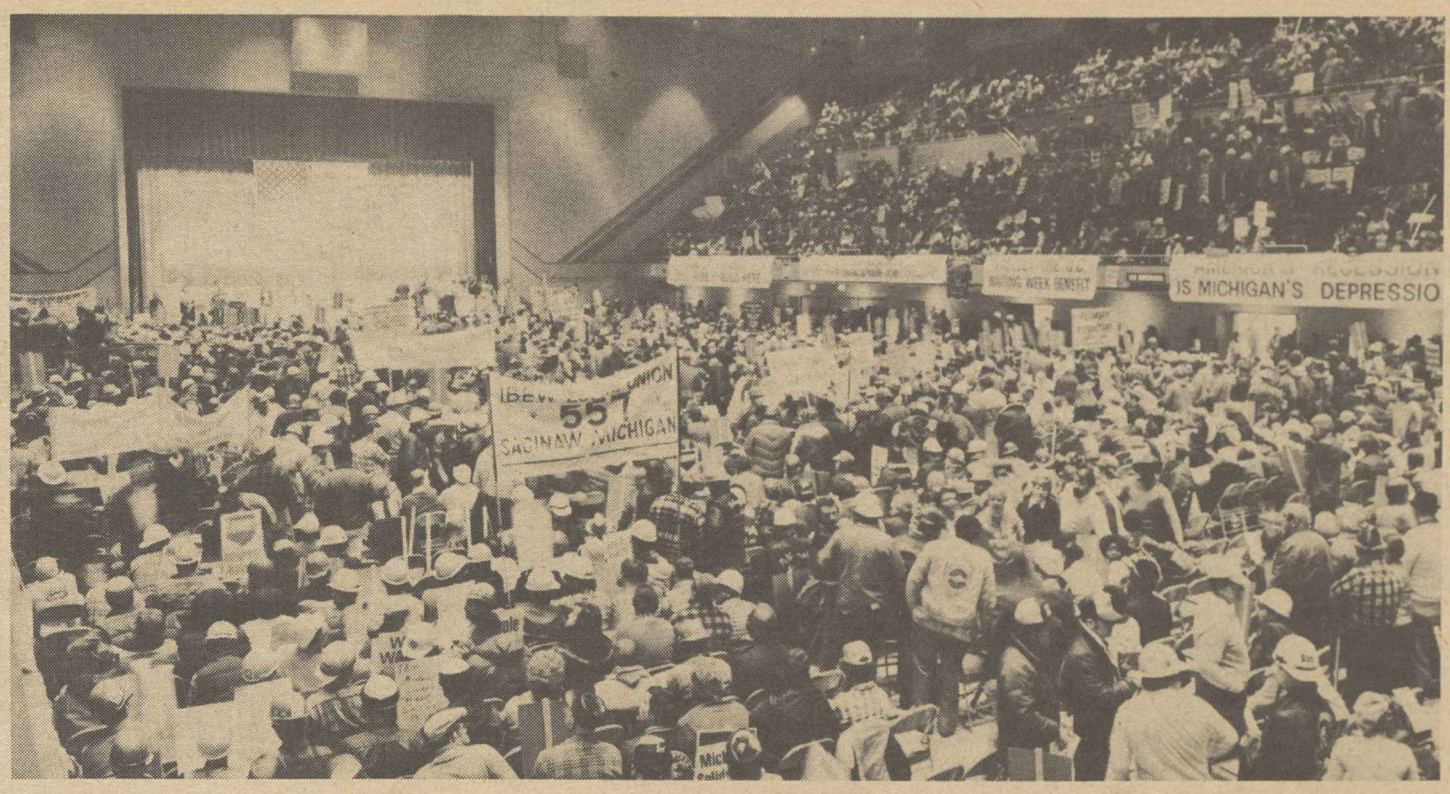
IN DISCUSSING the board's position, Fraser emphasized that "I don't think anybody can say with certainty that negotiations will be opened." He said the decision would be up to the union's General Motors and Ford councils, and that no meetings of these groups were scheduled.

The union later announced that results of surveys of GM and Ford locals to determine whether worker council meetings to consider the early talks should be called were due to be made known Dec. 21. A meeting of the American Motors Corp. council was set for Dec. 17. No meeting of the International Harvester council had been scheduled.

With the economy in recession again, automakers have entered a new round of retrenchments and layoffs. Since last spring, thousands of UAW members have lost their jobs, and industry losses for the first nine months of this year have exceeded an estimated $1 billion.

THE UAW'S contracts with Ford and GM expire next September. The Harvester pact expires in October, and the AMC agreement in 1983. All four companies have asked for pay concessions because of the auto slump.

"Times have changed," said Fraser. "The situation in our industry is distressful, and has changed since we last discussed this issue."



MICHIGAN SOLIDARITY DAY drew 10,000 working people from around the state to Lansing for a rally and march to the state capital to protest sharp cuts in workers' compensation and unemployment compensation statutes. But legislators turned a deaf ear as both the House and Senate passed the employer-backed bill proposed by Gov. William Milliken that will slash workers' compensation benefit levels and duration of payments and set harsh eligibility rules for the disabled. In a state suffering close to 12 percent joblessness, cuts proposed for the unemployment compensation system would include tight qualifications that could leave more than half the state's 110,000 construction workers ineligible because of seasonal work patterns. The three-hour protest, organized by the Michigan AFL-CIO and the UAW, included an overflow rally at the civic center and a march through the city to the capitol building where many demonstrators met with representatives and senators. The action to slash benefits in the name of attracting business to the state makes workers scapegoats for the state's economic woes, the demonstrators charged. The workers' compensation cuts demonstrate "mass insensitivity" to the needs of working people, the Michigan AFL-CIO and the UAW said. The marchers and their supporters also protested a proposal to lift the ceiling on state interest rates.



Wyoming Boosts Per Capita Tax to Expand Program

Casper, Wyo.—Delegates to the Wyoming AFL-CIO convention endorsed the expansion of the state labor federation's political education, research and activities programs with a 10-cent increase in the per capita tax, raising monthly payments to 70 cents.

The convention unanimously accepted the recommendation of the executive board for an early endorsement of Rodger McDaniel for the 1982 U.S. Senate election. McDaniel, who has served in the state legislature for 10 years, is one of two announced Democratic candidates for the seat now held by Republican Sen. Malcolm Wallop.

EXECUTIVE SEC. Keith Henning said McDaniel built a solid, pro-labor record during his career in the legislature and shapes up as a formidable opponent to Wallop, who has only a 12-percent "right" COPE voting record in the Senate.

The 200 delegates also urged Gov. Ed Herschler and Supt. of Public Instruction Lynn Simons to seek re-election.

In other action, the convention renewed its call for the repeal of Wyoming's open shop law as the state labor federation's top legislative priority.

DELEGATES elected Bill Newman of the Oil, Chemical & Atomic Workers as vice president to succeed Glenn Sweem, who did not seek re-election after 14 years in the office. Re-elected to new terms were State AFL-CIO President Tom Lee and three of the four executive board members. John Faunce of the Utility Workers was elected to the board to succeed Newman. The board reappointed Henning to a new term as executive secretary.

Coalitions Mobilize to Fight Natural Gas Price Decontrol

The Citizen/Labor Energy Coalition (CLEC) and Energy Action announced the two groups will merge to wage a more effective battle in Congress against moves to hasten the decontrol of natural gas prices.

At a press conference, Machinists President William W. Winpisinger, head of CLEC, said the merger will create a "stronger and tougher" organization.

HE CALLED accelerated decontrol of natural gas the "big swindle" and pledged that the merged coalition will work to "sensitize" Congress to consumers' wishes. "Congress is going to have to choose between their constituents and the oil companies," he said.

Actor Paul Newman, a founder of Energy Action six years ago, predicted that the gas decontrol issue will be "the next big battle in Congress." Newman warned that the oil companies may try to trade off accelerated decontrol for taxes on the resulting windfall profits.

This is a "trickle-up economic philosophy" Newman said, where consumers' gas bills double and then the oil companies and the government split the profits.

Winpisinger said the argument by the oil companies that the United States has been paying too little for energy because of price controls is false.

"Why should natural gas that belongs to all Americans be priced according to levels set by foreign cartels?" he asked.

THE COALITION has estimated that accelerated decontrol would cost some $260 billion, would double gas bills, and would add 2 to 3 percent to the nation's inflation rate. It also estimated that a million jobs would be lost each year by 1988.

Both Winpisinger and Newman said the merger would increase the effectiveness of the fight against gas decontrol through the combination of CLEC's organization and Energy Action's educational and research facilities. CLEC represents over 300 unions, citizen organizations and senior citizen groups with a combined membership of more than 13 million.

Council on Handicapped Honors AFL-CIO's Smedley

Lawrence T. Smedley, associate director of the AFL-CIO Dept. of Social Security, was cited as the outstanding labor representative of the Industry-Labor Council on Employment of the Handicapped.

Smedley was honored at an awards dinner held in conjunction with the council's national conference in Washington.

Tight Lid Asked On Donations To Candidates

(Continued from Page 1)

ing has had on presidential campaigns.

BUT WITH acknowledgement that "there is little chance" that Congress will enact such a program in the near future, the AFL-CIO urged that "at the very least, a dollar limit on the total amount of PAC contributions a candidate for Congress may accept should be adopted."

The AFL-CIO endorsed some simplifications and clarifications in federal election law being considered by the Rules Committee but opposed raising the limit on individual contributions. "Too much" of campaign financing comes from large corporations, the federation stressed.

THE AFL-CIO also opposed a proposal to require detailed and complex reporting by unions on expenditures for lawful voter registration and get-out-the-vote campaign and for administering and soliciting funds for union political action committees. It said the reporting burden, especially on local unions, would discourage participation in the election process.

It noted that reporting on internal communications "primarily devoted to advocating the election or defeat of federal candidates is already required" by law.

Social Security Minimum

Benefit Floor Revived For Current Retirees

(Continued from Page 1)

value in real terms would continue to drop and the number of new beneficiaries helped by it would steadily decline.

BUT THE budget reconciliation bill that the Administration pushed through Congress last summer would have ended the minimum benefit next March for persons already getting it and denied the minimum to new recipients after last October.

In the face of a public outcry, the House last July 31 voted 404-20 to restore the minimum benefit for both present and future beneficiaries.

The Republican-controlled Senate used that bill as a vehicle for other changes in the law. It voted to deny the minimum to future retirees and survivors, but to allow most persons previously receiving it to continue to do so. However, persons receiving a government pension of more than $300 a month would not be entitled to the full $122. The Senate bill also included the sick pay tax, a version of interfund borrowing and the ceiling on family benefits that was dropped in conference.

THE OFFSET for government pensions also was among the labor-opposed features of the Senate bill that was dropped in the final version. The legislation enacted also restored retroactively the minimum benefit for persons qualifying for it in November and December of this year, ending the benefit floor on Jan. 1, 1982, for those not covered before that date. The only exception is for nuns and members of religious orders requiring a vow of poverty.

The taxation of sick pay will bring into the social security funds almost as much as the cost of retaining the minimum benefit, and House conferees defended the compromise measure as the best that could be worked out with the Senate.

In other developments in the final days of the first session of the 97th Congress:

● Congress approved a bill supported by both the Mine Workers and the coal industry doubling the special tax on the sale of coal which is used to finance black lung benefits for miners. The trust fund for that purpose has had to borrow from the Treasury to continue to pay benefits. The measure raises the tax rate temporarily from 50 cents to $1 a ton on underground coal and from 25 cents to 50 cents on surface-mined coal.

● The House voted 244-136 approval of a standby emergency petroleum allocation bill that gives the President temporary authority to impose oil price ceilings and allocate petroleum supplies in the event of a severe shortage. Gasoline rationing would be prohibited and either the House or Senate could block controls by a resolution of disapproval.

The AFL-CIO had urged stronger standby legislation but supported passage of the House bill because the previous standby authority had expired at the end of September. The Senate has passed its own version and a House-Senate conference committee will try to reach agreement in the second session of Congress.

● Congress approved before adjournment a massive $200 billion defense appropriations bill, foreign assistance funding, and a compromise farm bill that cleared the House by a scant 205-203 margin.



SOUP LINE PROTEST against Reagan Administration economic policies rallied 3,000 demonstrators outside a Cincinnati hotel as a symbolic contrast to a posh Republican Party fund-raiser going on inside with Reagan as the attraction. Sponsors of the rally included the Cincinnati AFL-CIO and the NAACP.

Reagan Names Moffett to Head Mediation Agency

Kenneth E. Moffett has been nominated by President Reagan to be the director of the Federal Mediation & Conciliation Service, a position that has been vacant for almost a year. The nomination is subject to Senate confirmation.

Moffett, who has been with FMCS since 1961, has served as its acting director since Jan. 1, when Wayne L. Horvitz resigned from the post. Before joining the agency, Moffett served as an international representative with District 50 of the Mine Workers for five years.

EARLIER THIS month, the FMCS entered into a stipulation agreeing not to implement personnel cuts until a permanent director is named, an agreement that settled a lawsuit by six employees of the agency who were to be terminated. Moffett told reporters that the stipulation probably led the Administration finally to fill the long vacant post.

A number of major collective bargaining contracts are due to expire in 1982, and the director often becomes involved in the talks. Moffett said the FMCS is monitoring petroleum and trucking negotiations, which are now under way.

During his career with the FMCS, Moffett served as deputy director from 1977 through last January. Previously, he served as its director of mediation services for five years. In 1969, he was special assistant to former director J. Curtis Counts. He started with the agency as a mediator, serving in Washington and in Cleveland.

NLRB Judge Backs Union On Right to Chemical Data

A tire company has been ordered to comply with a union's request under the National Labor Relations Act for precise information on hazardous substances that its members encounter on the job.

Ruling in favor of Rubber Workers Local 26 in an unfair labor practice case, NLRB Administrative Law Judge Thomas E. Bracken held that the information was essential to the union's responsibilities in representing 1,700 workers at the Kelly-Springfield Tire Co. plant in Cumberland, Md.

BRACKEN DIRECTED the company, a subsidiary of Goodyear, to furnish the URW local with a list of all chemicals by generic name, as well as handling precautions, that its employees come in contact with.

Bracken noted that three other NLRB law judges reached the same conclusions earlier on the need for full identification of toxic and carcinogenic materials in the workplace. Although the rulings came more than two years ago, the full NLRB has yet to make a final decision on any of the cases against Minnesota Mining & Manufacturing Co., Colgate-Palmolive Co., Borden Chemical and Goodyear Tire & Rubber.

Kelly-Springfield had offered to provide the union with precaution sheets, but would only identify the chemicals by code name. Insisting on the union's need for generic names, Bracken asserted that "the code name is as meaningless to the union as if it were in Sanskrit."

THE UNION requested the precise identifications in January 1979 after the company disclosed that one of the compounds used in the plant caused cancer in laboratory animals.

"The specter of cancer," Bracken said, "has few equals in casting fear into the minds of American workers, and certainly the union had not only the right, but the duty to seek out all chemicals that would be potentially dangerous to the health and well-being of its members."

A toxic labeling standard was promulgated by the Occupational Safety & Health Administration last January before the Carter Administration left office. But it and 62 other proposed regulations were pulled back under an Executive Order of President Reagan in March over the strong protests of the AFL-CIO.

THE PROPOSED toxic labeling regulation would have required employers to provide precise chemical identification and warnings on hazardous substances found in some 328,000 manufacturing facilities that employ more than 20 million workers.

Medical studies have found that nearly 60 percent of the recorded occupational illnesses can be traced to chemical exposure in manufacturing.

In endorsing the URW local's contention on the need for information, Bracken observed that "by learning what potential risks and hazards the employees face in the plant, the union would then be in a position to bargain intelligently for protective measures to eliminate or reduce such hazards."

HE SAID the union could also bargain "for better medical facilities in the plant that would be geared to meet these hazards, for greater medical and surgical benefits, and for more relaxed eligibility rules for securing disability pensions."

Kelly-Springfield contended that the union's request for the information was designed to procure evidence for personal injury lawsuits against the company. Twenty-six Kelly-Springfield workers have filed federal suits for personal injury.

Union, Industry Groups Assail 'Unrealistic' Trade Policies

The United States is continuing to lose jobs and production by sticking to unrealistic trade policies, union and industry officials testified at House hearings.

Representatives of two labor-management coalitions and the Ladies' Garment Workers were among the witnesses heard by a Ways & Means subcommittee that is reviewing foreign trade issues.

THE LABOR-INDUSTRY Coalition for International Trade (LICIT) told the panel that non-tariff barriers to U.S. products have tilted the balance against the United States in the world competition for markets.

Industrial Union Dept. President Howard D. Samuel was joined by Lawrence C. McQuade, senior vice president of W. R. Grace & Co., in presenting LICIT's proposals for trade policies reflecting "today's realities."

Samuel said the United States has been relatively successful in negotiating with other countries for a mutual reduction of tariffs, but still has "a long way to go" in securing the removal of non-tariff barriers.

HE AND McQUADE urged a legislative package to assure greater relief from unfair trade practices by other countries and "enhance the negotiating leverage of the United States" in dealings with its trading partners.

Another union-employer coalition, the Textile/Apparel Import Steering Group, said imports from low-wage nations threaten to wipe out hundreds of thousands of U.S. jobs—on top of the heavy losses already imposed.

Shelley Appleton, secretary-treasurer of the Ladies' Garment Workers, testified for the 20 trade associations and unions making up the steering group.

Imports of textiles and apparels are up 17 percent over the previous year, Appleton noted.

THE UNITED STATES is currently renegotiating the multifiber arrangement regulating textile and apparel trade among 50 signatory nations. Appleton said the agreement should be strengthened as well as renewed.

If it would allow imports to grow at the expense of U.S. industry, it would be better to authorize U.S. quotas, he told the panel.

ILGWU Legislative Director Evelyn Dubrow testified separately on one of the trade issues of speical importance to her union—a loophole in the tariff code known as Item 807.

Under this provision, American companies can export parts for assembly abroad and reimport the finished product, paying duty only on foreign value added, which is largely the labor cost.

SINCE THE REASON for assembly abroad is to get cheap labor, the duty imposed is minimal, she noted.

Dubrow said garment workers have been displaced by the practice of manufacturers who sent cut garments to Mexico and other nearby low-wage nations to be sewn and returned to the United States.

The dollar value of garments brought into the United States under the Item 807 loophole rose from $1.7 million in 1965 to $524 million last year, she testified.

12/19/81

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First Session of Congress Posts Dismal Record

AFL-CIO News

Vol. XXVI Saturday, December 26, 1981 No. 51

By David L. Perlman

The first session of the 97th Congress was a near disaster in terms of labor's assessment of the nation's needs. Neither rising unemployment nor worsening recession budged Congress from the ideological path laid out by the Reagan Administration.

AFL-CIO Legislative Director Ray Denison sees the first session record as "a virtual abdication of the independent role of Congress."

At the Administration's bidding, he noted, "Congress bypassed its own committee structure and resorted to budget-setting shortcuts to rewrite laws and curtail benefits."

CONGRESS WORKED hand-in-glove with the Administration to wipe out the public service jobs program, scuttle trade adjustment assistance for workers displaced by imports and demolish most job training and placement programs.

It slashed family assistance for the neediest and savaged programs designed to help the working poor and the near-poor. More than a million persons were cut off from food stamps; fewer children will get reduced-price school lunches.

Medicaid payments to the states have been reduced, and Medicare cutbacks compel the elderly to pay a bigger share of their health costs out of pocket.

The "victories" for labor during the first session of the 97th Congress were largely in staving off further catastrophes.

Almost every economic step taken by the 97th Congress has been in the wrong direction, Denison observed.

Housing programs were reduced substantially below current levels at a time when homebuilding was almost at a standstill because of high mortgage interest rates.

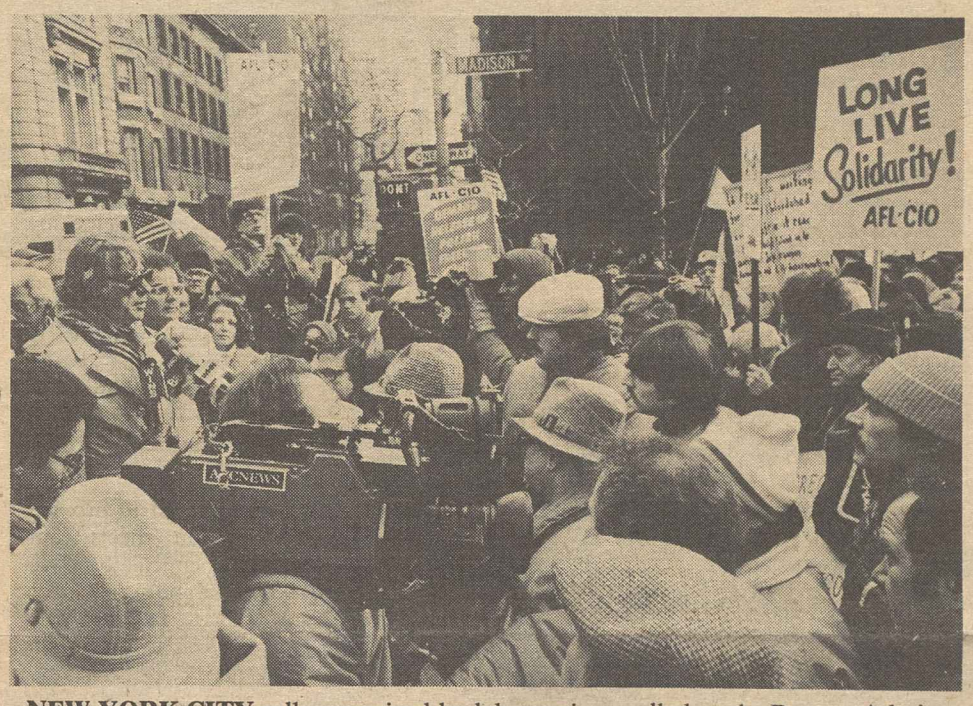
Through underfunding of both direct federal grants and consolidated "block grants," Congress and the Administration squeezed states and cities so hard that Republican governors and mayors protested as loudly as Democrats.

THERE WILL BE less aid to the arts and to public broadcasting. But Congress refused to block President Reagan's costly decontrol of domestic crude oil prices.

Especially outrageous, Denison stressed, was the tax cut bill that Congress enacted as it embraced the trickle-down philosophy

(Continued on Page 8)

Protests Mount on Polish Crisis



NEW YORK CITY rally organized by labor unions called on the Reagan Administration to support the demand of the Polish trade union federation, Solidarity, for an end to martial law in Poland. More than 2,500 took part in the demonstration outside the Polish consulate. Teachers President Albert Shanker is shown during a TV interview. **(Additional photos Page 2.)**

Labor Rallies U.S. Support For Embattled Solidarity

By James M. Shevis

American workers and their unions stepped up their protest over the Polish government's attack on the Solidarity labor federation and demanded the release of thousands of union members and officers "detained" since the communists reimposed military rule in Poland two weeks ago.

In major cities across the United States, the AFL-CIO joined Polish-American, civic, religious, civil rights, and other groups in expressing outrage over Gen. Wojciech Jaruzelski's crackdown on the free trade union organization that held out the promise of "odnawa," or democratic renewal, of Polish society. Poland has been under Soviet-imposed communist rule since the Red Army occupied it at the end of World War II.

AS ONE expression of support for the Polish workers, Longshoremen's President Thomas W. Gleason announced that ILA members would not handle any cargo going to or from Poland on any vessel until martial law, the detention of trade union leaders, and the denial of the civil rights of the Polish people have ended.

"Armed might seeks to extinguish the torch of liberty in Poland," Gleason told a New York City news conference. "It is for American workers to hold it high as a beacon of hope and support. In conscience we can do no less."

GLEASON SAID he hoped to see the action spread to transport unions throughout the free world, and that he had urged the International Transportworkers' Federation, a trade union secretariat headquartered near London, to issue a call for its member unions around the world to join in the refusal to handle cargo moving to or from Poland.

Gleason, a vice president of both the ITF and the AFL-CIO, said the only exceptions to the ILA boycott would be emergency medical or food supplies delivered for a recognized charity. The State Dept. earlier announced that the United States would permit the continued supply of food aid being distributed to the Poles by private American organizations such as CARE and Catholic Relief Services.

But the U.S. government has put in abeyance a Polish government request for more than $730 million in credits for next year to purchase feed grains and other agricultural products.

AFL-CIO President Lane Kirkland, on returning from London and Paris where he conferred with European trade union leaders, met with President Reagan at the White House to discuss the Polish situation. Reagan told reporters before the meeting that the Administration "wants a return to the negotiation stage, an end to martial law, and the release from confinement of those people who have been unjustly arrested, and an end to violence."

FROM COAST TO coast, American workers demonstrated against the Draconian measures promulgated by the Polish Army after it dropped a curtain of darkness on the Polish people the night of Dec. 12-13. Except in churches, the Poles

(Continued on Page 3)

Industrial Output Drops As Recession Worsens

Industrial production declined 2.1 percent in November and the economy continued to contract as the nation's eighth recession since the end of World War II deepened and forced hundreds of thousands of additional workers onto the unemployment rolls.

The slide in output of U.S. factories, mines, and utilities was the fourth consecutive monthly drop and the largest since the 3-percent decline in May 1980 at the depth of the last previous recession. The drop in industrial production reflected a continuing decline in orders from businesses as they responded to shrinking demand and rising inventories.

THE NOVEMBER decrease in output, which resulted primarily from sharp reductions in the production of automobiles, home appliances and business equipment, was larger than expected. In reporting the lower production levels, the Federal Reserve Board said the declines were broad, with only defense and space industries reflecting modest growth.

Production of home goods, which includes appliances and furniture, fell 5.3 percent over the month. The automotive sector declined 7.2 percent, and auto assemblies dropped nearly 13 percent.

Separately, the Commerce Dept. said housing activity in November picked up only slightly from the 15-year low recorded in October. Starts of new houses were recorded at a seasonally adjusted annual rate of 871,000 units.

MEANWHILE, the Commerce Dept.'s preliminary assessment of the current quarter's performance showed the economy contracting at a 5.4-percent annual rate. In releasing the figure, the government also raised its estimate of third-quarter growth to a seasonally adjusted 1.4 percent annual rate from six-tenths of 1 percent.

Much of the revision reflected stronger inventory buildup than previously estimated. The economy contracted at an adjusted annual rate of 1.6 percent in the second quarter, after expanding at an 8.6-percent rate in the first quarter.

Job Security Key To Pattern Pacts In Meat Industry

The Food & Commercial Workers approved new contracts with two of the country's major meatpacking firms providing major job and union security protections through August 1985.

In return for a wage freeze, Armour & Co. and Wilson Food Corp. agreed not to close any of their plants for the next 18 months and to give notice of any plant closings for the 12 months thereafter.

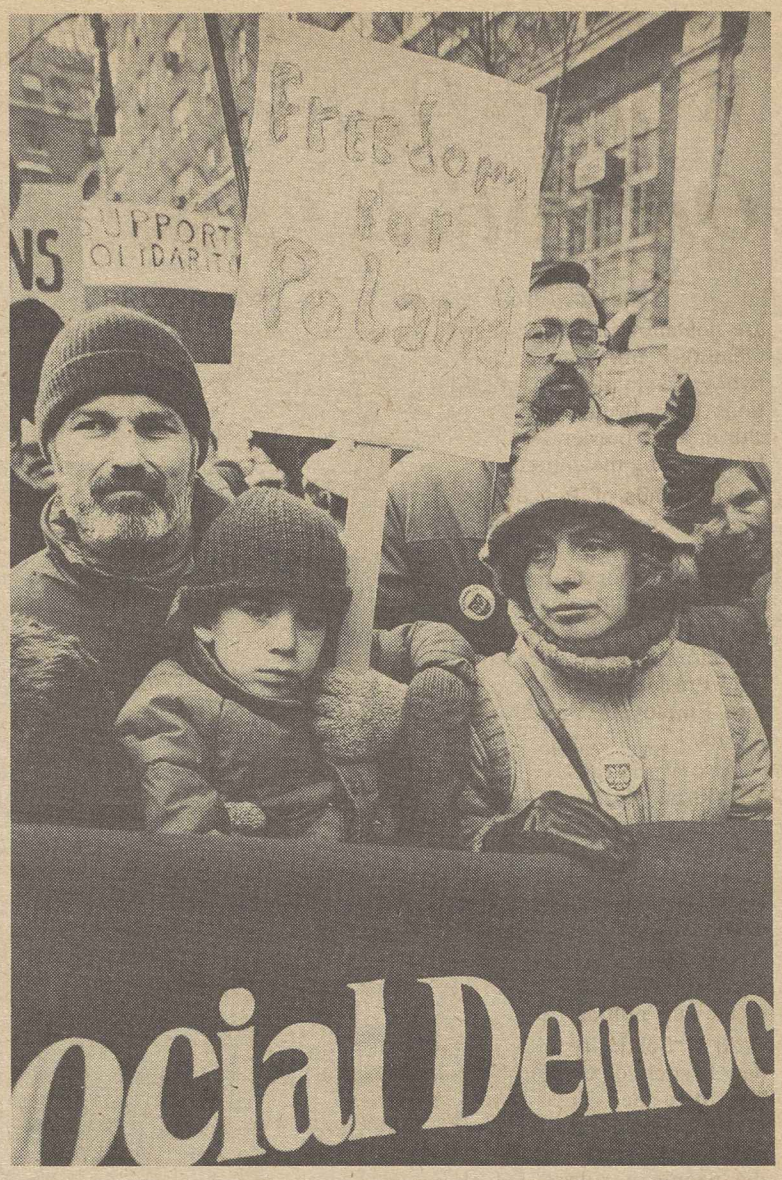
ARMOUR AND WILSON also agreed to recognize the union whenever a majority of workers at a new plant sign authorization cards, and to provide the union with information about its spending plans. The pacts, which the UFCW says will set a pattern for about 40,000 workers in the industry, also provide for medical benefit improvements.

UFCW President William Wynn said employees at Hormel are voting on a similar contract and that the union is considering contract terms with Swift and John Morrell & Co. The Armour and Swift agreements became effective on Dec. 17,

(Continued on Page 7)

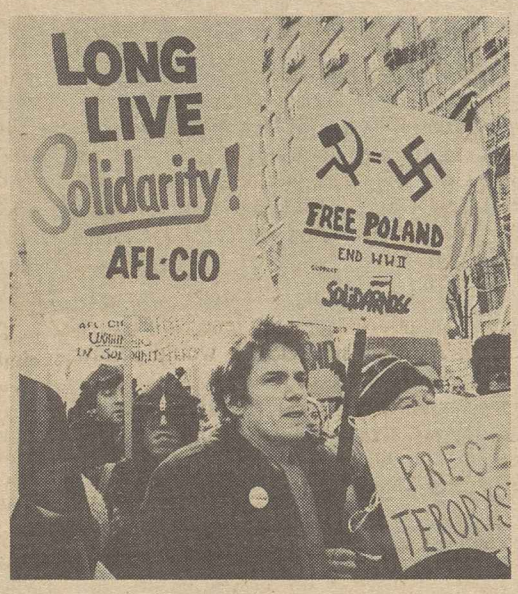






Speaking Out for Solidarity

AMERICAN trade unionists rallied in demonstrations across the country to express their support of Polish workers and their Solidarity movement—the target of a crackdown by Poland's communist government. Similar protests were conducted in major cities around the world. In the United States, marches, protests and candlelight vigils were coordinated by the AFL-CIO. At a White House meeting, Federation President Lane Kirkland briefed President Reagan on International Confederation of Free Trade Unions actions on the crisis in Poland.













Labor Rallies Spread

World Outrage Grows On Polish Crackdown

(Continued from Page 1)

are not allowed to assemble. Penalties for seemingly minor infractions range from two years to death. Normal communications have been cut off with the outside world, and borders sealed to keep Poles from leaving the country.

Thousands of Polish-Americans in Chicago, the home of more ethnic Poles than any other city outside Warsaw, joined with organized labor to protest the communist regime's crackdown on free trade unionism. Speakers included AFL-CIO Regional Director James Freeman, Illinois AFL-CIO President Robert G. Gibson, and Service Employees Vice President Eugene P. Moats.

Also at the rally, which drew more than 10,000 people, were Mr. and Mrs. Robert Walesa. Walesa, the cousin of Solidarity Chairman Lech Walesa, is an elevator maintenance engineer in Park Ridge, Ill. He later wired President Reagan "to do whatever in your power it takes for the release of my cousin." The Solidarity leader was detained by authorities at the start of the new military rule.

At a "Solidarity with Solidarity" rally in San Francisco, California State AFL-CIO Executive Sec.-Treas. John F. Henning noted that martial law "is the first thing imposed by a government that is afraid of the people it rules." Henning drew loud cheers from trade unionists, human rights activists, and Polish-Americans when he urged "the puppet government in Warsaw" to free Solidarity's leaders, restore trade union rights, and lift restrictions on individual freedoms.

SOME 2,500 demonstrators proclaimed support for the independent Polish labor federation at a rally outside the Polish consulate in New York City. Organized by the State AFL-CIO and the Social Democrats USA, the rally drew members of more than 20 unions. Speakers urged the United States to impose sanctions against the Polish government, and called on Poland's military regime to free Walesa, who has not been seen in public since the crackdown.

AFL-CIO Regional Director Michael Mann said that "Poland is afire, and we want action now from the U.S. government" to press the Soviet bloc to restore the rights of Polish citizens. Mayor Edward Koch blamed the Soviet Union for the crackdown, and compared the situation in Poland to the days before World War II when Nazi troops moved into Czechoslovakia. "We were silent then, but let us never be silent again," he said.

OTHERS WHO spoke during the emotional demonstration in chilling temperatures included Sen. Daniel P. Moynihan (D-N.Y.), President Harry Van Arsdale, Jr., of the New York City Central Labor Council, Sec.-Treas. E. Howard Molisani of the New York State AFL-CIO, and Carl Gershman, counselor to U.S. Ambassador to the United Nations Jeane J. Kirkpatrick. Chairman Bayard Rustin of the A. Philip Randolph Institute led the crowd in singing a modified chorus of the labor anthem, "Solidarity Forever."

In New Britain, Conn., a crowd of 4,000 cheered labor and public officials who urged the U.S. government not to extend loans and credit guarantees to Poland until martial law is lifted and Solidarity leaders are freed. Rally speakers included State AFL-CIO President John J. Driscoll and Lt. Gov. Joseph J. Fauliso.

Other trade union activities around the country in support of Solidarity involved participation in candlelight vigils near the Polish embassy in Washington, D.C., and rallies in Houston, Albany, N.Y., Detroit, and in Buffalo.

AFL-CIO SEC.-TREAS. Thomas R. Donahue spoke at a breakfast in the nation's capital launching a Christmas Week vigil in support of the Polish workers and their unions. Expressions of support also poured forth from leaders of various AFL-CIO affiliated unions.

President Richard I. Kilroy of the Railway & Airline Clerks said the union "joins with the AFL-CIO, the International Transport Workers Federation, and the International Confederation of Free Trade Unions in condemning the Polish government's attack on the basic human rights of its citizens, an action which flouts the treaty obligations undertaken by Poland at the Helsinki conference."

PRESIDENT William Konyha of the Carpenters, noting that the union has many Polish-Americans among its members, stressed "the right of workers everywhere to join freely in trade unions that will represent their just aspirations for economic progress and social well-being."

Sec.-Treas. Ray Majerus of the Auto Workers said, "The massive arrests and detention of the leadership of Solidarity and the banning of that union of workers are unjustified and unrealistic. . . . The dialogue of peaceful negotiations can be the only road to true social justice in Poland."

STEELWORKERS President Lloyd McBride said the union's members throughout the United States and Canada "offer their prayers for the people of Poland" and urged the U.S. government to use "all economic and diplomatic sanctions possible to impress upon the communist regimes in Moscow and Warsaw the great outrage members feel at the military reoccupation of Poland."

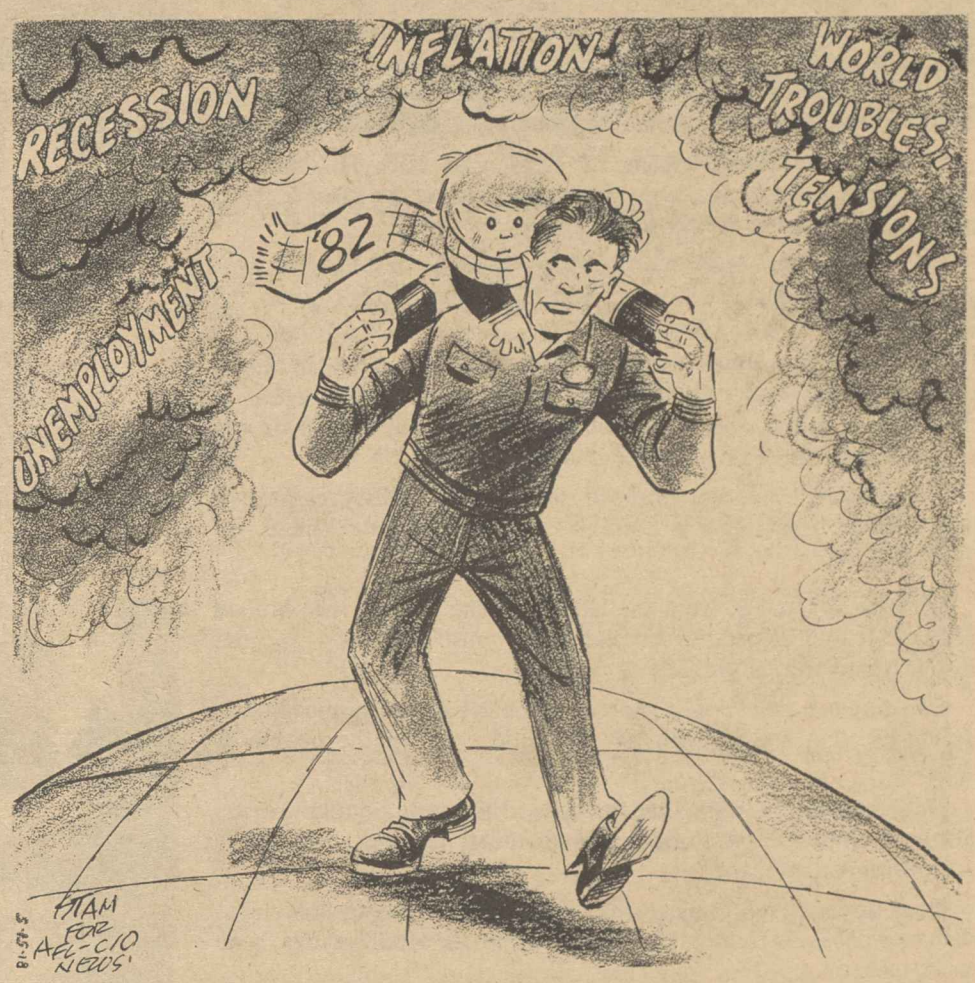
The Screen Actors-Television & Radio Artists joint board termed the imposition of martial law, curfew, raids by police upon Solidarity chapters across Poland, and the detention of union leaders a repudiation of agreements between the independent trade union federation and the Polish government.

The protest against the Polish military crackdown took on worldwide scope as workers in Tokyo, Paris, and other foreign cities stood up to be counted in support of Solidarity.

THE INTERNATIONAL Labor Organization, a specialized agency of the United Nations, sought to send a mission to Poland to survey the situation after receiving the protests of the ICFTU and several international trade union secretariats.

The International Metalworkers' Federation, headquartered in Geneva, called on its 170 affiliated unions throughout the world to support protests to Polish embassies in their countries, "and to make clear that relationships between the West and the Soviet bloc countries will be imperiled unless the leaders of Solidarity are released, trade union rights restored, and a dialogue between Polish workers and the authorities begins again."

'Hold On, Kid!'



OSHA Denies Union Petition To Curb Pesticide Exposure

Administrator Thorne G. Auchter of the Occupational Safety & Health Administration has rejected a union petition calling for an immediate reduction in worker exposure to a highly toxic agricultural fumigant that is suspected of causing cancer and sterility.

Rather than issuing an emergency temporary standard for ethylene dibromide (EDB), Auchter said OSHA would follow routine rulemaking procedures in developing a standard to lower permissible exposure levels. He acknowledged, however, that new medical evidence strongly suggests that the existing OSHA regulation for EDB doesn't adequately protect workers against serious health risks.

EDB IS USED on grains, fruits and vegetables after harvest to kill Mediterranean fruit flies and other insects. The existing federal regulation limits worker exposure to 20 parts EDB per million parts air (20 ppm).

The union petition—filed jointly by the AFL-CIO, the Food & Beverage Trades Dept., the unaffiliated Teamsters and other unions—seeks to immediately lower the exposure level to at least 0.13 ppm and ideally to a ppm level of 0.015.

Because of the concerns over the EDB health risks, AFL-CIO Occupational Safety Director George H. R. Taylor noted in a letter to Auchter that California lowered worker exposure to the chemical to the 0.13 level in August under an emergency temporary standard (ETS).

THE CALIFORNIA ETS has withstood challenges by growers in state and federal courts, including the 9th U.S. Circuit Court of Appeals.

In the meantime, OSHA has proposed a series of guidelines for minimizing worker exposure to the suspected carcinogen, which labor safety and health specialists branded as meaningless.

"Never before in its entire 11-year history has OSHA issued such an unprofessional and technically deficient document and so utterly failed to respond to a serious and immediate health threat posed to workers," Taylor charged.

An estimated 108,000 workers are exposed to EDB while handling, processing and transporting agricultural products, according to the National Institute of Occupational Safety & Health. In 1977, NIOSH called for reducing EDB exposure limits to the lowest feasible levels and reiterated its recommendation last month.

TAYLOR NOTED that scientific studies show that laboratory animals have developed tumors when exposed to EDB at one-half the existing OSHA exposure limit.

The AFL-CIO warned that growers, after being rebuffed by the courts on the California EDB standard, are now attempting to wipe out the state regulation by appealing to OSHA that it "unduly burdens interstate commerce."

Retreat on Lead Standards Proposed by Administration

The Occupational Safety & Health Administration has proposed rolling back engineering control requirements for eight of 47 industries subject to a 1978 lead exposure standard.

In a long-delayed statement to the U.S. Court of Appeals for the District of Columbia, OSHA asked for the return of the court record for further study to determine if the controls were "feasible" for the eight industries.

FOR THE 39 industries where OSHA agreed the standard was indeed feasible, it extended the timetable for compliance from one year to two and one-half years.

OSHA said it would also allow the use of respirators instead of engineering controls in plants where workers are exposed to lead in excess of the exposure limit, which is 50 micrograms per cubic meter of air.

Excessive exposure to lead can cause damage to the kidneys and nervous system, serious blood disorders, sterility and death. About 835,000 workers are exposed to lead on the job, according to federal estimates.

Major provisions of OSHA's lead standard have been in effect since March 1979 for all major lead-using industries. Engineering control provisions went into effect in June of this year for 10 industries after the Supreme Court refused the Administration's request for review of the appeals court decision upholding the standard.

Those 10 industries are primary lead smelting, secondary lead smelting, battery manufacturing, electronics, gray iron foundries, ink manufacturing, paint and coatings manufacturing, wall paper manufacturing, can making and printing.

AMONG THE 39 manufacturing industries where OSHA proposed to relax engineering control requirements are auto, sheet metal, leather, glass, textiles, plastics, pottery and rubber.

One of the causes for the delay of the OSHA court statement was that it had to be cleared by the Administration's Office of Management & Budget. In submitting the statement, Auchter contended that the rollback on engineering controls would save employers more than $50 million "without reducing worker protection."

Building Trades Offer Guide On Fighting Union-Busters

A new pamphlet to help workers fight back against union-busting consultants and anti-union employers is available from the AFL-CIO Building & Construction Trades Dept.

The booklet, "Fighting the Union-Busters, A Workers' Guide to Using the Law," includes model complaint forms and information on obtaining copies of reports consultants and employers are required to file with the Labor Dept. about their activities.

The pamphlet was prepared by the department's Center to Protect Workers' Rights. Up to 10 copies are available free from the center, 815 16th St. N.W., Room 603, Washington, D.C. 20006.

Solidarnosc . . . Forever

POLAND'S AMBASSADOR to the United States, breaking openly with the government that he could no longer in conscience represent, spoke to Americans of "the cruel night of darkness and silence" that had descended on his beloved country.

"I cannot be silent," Romuald Spasowski said. His decision was reached when he learned "that Lech Walesa, the most beloved leader of Solidarity, is arrested and kept by force."

The ambassador spoke of the "war against the Polish people" and the "reign of terror" unleashed by military rulers doing the bidding of their Soviet masters.

"Factories have been stormed where workers defended themselves," he reported. "Solidarity members have been arrested in their offices and at night. All communications lines have been cut off to isolate the country and to confuse the world."

Ambassador Spasowski insisted that "this carefully orchestrated and directed crackdown is not an internal Polish issue." And, indeed, it is not.

OTHER VOICES, from the leaders of the nations that profess democracy and respect for human rights, must be raised—and not just in the cautious phrases of diplomacy.

Can anyone now doubt that it is the trade union movement, Solidarity, that speaks with the authentic voice of the people of Poland?

Does anyone question that the censorship and communications blackout imposed on Poland was intended to keep Solidarity's voice from being heard?

Does anyone truly believe that the free trade union movement that caused such tremors in Moscow and its satellites has been extinguished?

THERE MAY STILL BE an opportunity for a restoration of freedoms if the military regime accepts the fact that it cannot establish a viable economy with a bayonet at the throat of its workers. But it will be actions, not rhetoric, that impel such a development.

The rulers of Poland must be put on notice that there will be no business-as-usual with a government that crushes with force its own people. Such notice must come from all free nations, not just from the United States.

Through their unions, the workers of the world have proclaimed their support—their solidarity—with Poland's Solidarnosc.

Second Century

AMERICAN LABOR'S second century opens on a note of urgency and concern.

It's safe to predict that the third century will be equally beset by problems. And that there will be a trade union movement around to deal with them.

AFL-CIO News

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American Federation of Labor and
Congress of Industrial Organizations

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THOMAS R. DONAHUE, *Secretary-Treasurer*

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Consumer Spending Sluggish

Business Council Economists Find Reagan Scheme Failing

By Gus Tyler

THE IDEA BEHIND the tax cut was to stimulate the economy: the savings would put people to work in new and expanded plants.

But it's not working out that way, say the top economists of the Business Council, spokesman for America's largest corporations. The economists say that the tax cuts are failing to "stimulate the final demand that might help to spur a larger increase in business investment."

THE KEY WORD here is "demand," the spark plug of economic action. If there is weak demand, no prudent investor will invest. You don't produce products for non-existent customers. This perfectly obvious idea was restated in more elegant and formal words by Lawrence Chimerine of Chase Econometrics:

"Despite the current emphasis on savings and investment, it is essential that some of the increases in real income that will result from lowered inflation and reduced taxes be reflected in higher consumer spending. Continued sluggish consumer spending would directly suppress economic activity and, by holding down profits and operating revenues, would also depress capital formation."

THE BUSINESS COUNCIL has been a strong backer of Reaganomics. But facts are facts, and the simple facts are that the Reagan tax cut put great gobs of money in the hands of the investing class but did just about nothing for the consuming classes, the great 85 percent of the nation that lives on wages and salaries. The result is "sluggish consumer spending," a weak market, and hence weak prospects of investment in production.

That "demand" is the key to economic vitality is not a new idea, I was reminded on the same day that the Business Council made its surprise statement. That noon, I attended a luncheon of Public Affairs Pamphlets, an organization that in 1936 embarked on a program of popular booklets to educate the American people on certain truths that often get buried in forgotten tomes.

The first tract, written in 1936 by Maxwell Stewart, was a popular summary of several volumes by the Brookings Institution on the American economy. One part of that study dealt with savings and what it could and could not do. Here's an excerpt from the booklet, Income and Economic Progress:

"Money savings will be used to build new plant and equipment only if it pays to do so. The question is: Will business men run the risk of expanding productive capacity at a time when, as a result of increased savings, consumer demand is declining, and the amount of unutilized productive capacity is increasing? In boom periods, when people are buying increased amounts of goods, manufacturers will hasten to build new factories and to install labor-saving machinery; but in a depression when consumption is low, they, as a rule, avoid all unnecessary expenditures.

"IF THIS IS true, then it does not follow that all money set aside as savings will be immediately used for new plant and equipment. For if the proportion of a nation's income which is saved should suddenly increase, the resulting decline in the purchase of consumers' goods would serve to prevent the use of money savings in building new plant and equipment. The demand for capital goods is derived not from savings but from the consumers' expenditures."

That was written 45 years ago. Too bad it was not read by Reagan's economic advisers before they wrote the recent law to enrich the rich.

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A Parting Word From the Editor

This issue of the AFL-CIO News marks the end of my role as editor of the federation's weekly newspaper. I have been privileged to direct and edit the News for the past 26 years with broad editorial freedom.

The News has had a simple objective: to publish a weekly paper for the trade union movement based on editorial integrity and credibility. That objective, in the main, has been achieved, we have been assured by friends and critics.

The News has set a standard also for the labor press. It has helped develop the crisp professionalism, attractiveness, credibility and commitment in trade union publications today.

On retirement I give thanks for the opportunity to have served, to have worked with the fine editors and writers whose names have graced these pages.

—Saul Miller

Worldwide Protest Pressed

ICFTU Statement on Poland Demands Return of Freedoms

The following statement was issued by the International Confederation of Free Trade Unions following a special meeting at the organization's headquarters in Brussels.

ON DEC. 16, 1981, a special trade union meeting was convened in Brussels by the ICFTU to discuss the serious situation in Poland.

Representatives of ICFTU affiliated organizations and of the International Trade Secretariats expressed the international free trade union movement's condemnation of the arrests of leading members of Solidarnosc and the imposition of military rule in Poland.

THE MEETING emphasized that these measures were taken in the absence of any provocation on the part of the Polish free and independent trade union movement, which on the contrary has repeatedly stated, and is still stating, that it is ready to negotiate.

The international free trade union movement condemns the Polish authorities' shameful attempts to stifle, by means of these measures, the hope of resurgence and freedom that the Polish free and independent trade union movement has succeeded in creating in Poland and elsewhere.

The international free trade union movement once again pledges its wholehearted support to the Polish workers and their Solidarnosc trade union organizations in their determination to ensure that the Polish authorities fully respect the Gdansk agreement.

THE INTERNATIONAL free trade union movement reaffirms its deep conviction that the problems of the working class cannot be solved without freedom and full observance of the Universal Declaration of Human Rights and the international conventions on freedom of assication, and therefore calls upon its member organizations to:

A. Undertake immediate and continuous protest actions in support of the Polish workers fight for the respect of human and trade union rights.

B. Exert stronger pressure on their respective governments.

C. Make representation to the Polish ambassadors in their countries with a view to ensuring that:

1. All the arrested trade unionists are immediately released.
2. Martial law is immediately abolished.
3. Negotiations are resumed immediately between the Polish authorities and Solidarnosc on measures to solve social and economic problems that the country is facing, on the basis of the agreements already reached before the declaration of martial law.
4. Democratic procedures are established to ensure that material assistance given to Poland does in fact reach those parts of the population that are in real need of it.
5. Any assistance to Poland by governments or credit institutions is strictly linked to the comprehensive fulfillment by the Polish authorities of the above mentioned trade union demands.

The ICFTU together with the International Trade Secretariats will follow developments closely and will make every effort to ensure effective coordination and maximum cohesion of the international solidarity action in support of the Polish workers.

'A Terrible Tragedy For Human Rights'

A terrible tragedy for trade union rights and individual human rights is unfolding in Poland, with reports of the jailing of trade unionists and trade union leaders, with pictures of tanks and troops controlling every street and byway, with the imposition of martial law and the use of force by a military government.

Free citizens all across Europe and the United States are giving voice to their shock at these events, and giving expression to their support for the Polish workers and the Polish people.

We are proud to be part of that protest.

The hand-wringing of some commentators to the effect that Solidarity has caused this confrontation is sheer nonsense. The Solidarity union movement has demonstrated sophistication about bargaining tactics, patience and a willingness to compromise.

Theirs has been the course of pressure with moderation.

We will continue to press for restoration of trade union rights, for full freedom of association and freedom of expression.

Long live Solidarity! Long live a free Poland!

—AFL-CIO Sec.-Treas. Thomas R. Donahue at the Dec. 14 Solidarity support rally in Washington, D.C.

Administration Tactics Hit

Conference on Aging Assails Attempt to Gut Social Security

DELEGATES TO the 1981 White House Conference on Aging overwhelmingly rejected the Administration's call for cuts in social security and other protections for America's elderly, despite the attempt of the White House to rig the meeting to get endorsement of the President's policies.

That report was made in a network radio interview by AFL-CIO Social Security Director Bert Seidman and President Jacob Clayman of the National Council of Senior Citizens, who charged that the Administration stacked key committees with pro-Reagan delegates identified in a telephone poll conducted by the Republican National Committee. The ploy backfierd, they said, and the "unloaded committees did what the loaded committees could not do." They pointed out that the entire conference went on to adopt a series of recommendations that "preserve, at least in spirit, the whole gamut of programs" vital to the nation's elderly.

Clayman and Seidman, both of whom were delegates to earlier Aging Conferences, which are held at 10-year intervals to assess the needs of older Americans, said that such "political manipulation" was unprecedented, regardless of the party occupying the White House. "This Administration apparently was enormously fearful" of a free and open expression of opinion and "figured that the only way they could manage the picture was to stack the deck," Clayman asserted.

QUESTIONED BY reporters on Labor News Conference, Clayman and Seidman noted that most of the delegates left the conference with "feelings of disillusionment, disappointment and resentment" over the "extraordinary efforts of the Reagan Administration to manipulate this conference." But, Seidman added, "the spirit of the elderly" was not dampened, and they made it clear that they, like the majority of Americans, "want social security maintained and the programs of benefit to the elderly maintained."

Seidman warned that the Administration may still try to slant the conference report in its favor. "After what I saw in the way of manipulation, I don't put anything past these people," he declared. He said that the labor movement and senior citizen organizations will monitor the preparation of the conference report to try to assure that it accurately states the views and votes of the delegates.

Labor News Conference is broadcast weekly on Mutual radio.

Washington Window

By Press Associates, Inc.

ONE OF THE MOST mischievous pieces of anti-union legislation ever introduced in Congress got a good airing recently before a Senate criminal justice subcommittee.

Sponsored by South Carolina Sen. Strom Thurmond, chairman of the Judiciary Committee, and 11 other conservative Senate Republicans, the legislation would place certain labor-management disputes under the federal anti-extortion law known as the Hobbs Act.

In practice, the Hobbs Act amendments would make a striking worker who, say, became involved in a scuffle on the picket line, subject to federal prosecution. If convicted, he or she could be sentenced to up to 20 years in jail or fined $10,000, or both.

BUT THE EMPLOYER or his hired agents probably wouldn't have to worry about prosecution under an amended Hobbs Act because the crime of extortion would apply in legal terms only to the employee, the party attempting to gain something through strike action.

Spearheading the campaign for the Hobbs amendment has been the National Right to Work Committee, whose mass mailing to 2 million potential contributors alleged rising "union terrorism" in the nation. The committee also has been circulating a sensationalistic, 30-minute film dubbed "Scepter of Violence."

Testifying before a Senate criminal law subcommittee, Right to Work Committee President Reed Larson painted a colorful picture of growing "union-inspired violence" orchestrated by "an international network" of union officials.

TO "DOCUMENT" his case, Larson reeled off his organization's litany of horror stories regarding alleged violence by union members.

Unfortunately for Larson, union opponents of the Hobbs amendments had done some homework. An AFL-CIO attorney offered these refutations of what he called distortions and misrepresentations spread by the Right to Work Committee:

● **Allegation:** "The U.S. Treasury Dept.'s Bureau of Alcohol, Tobacco & Firearms reports that labor-related violence has replaced political terrorism as the number one cause of property damage by explosives in this country."

Fact: This is not true. The 1980 report of the BATF shows that "labor-related" incidents accounted for only 4.3 percent of all reported bombing incidents, putting this category a distant fifth on the list. And this includes incidents which "could have been perpetrated by members of labor **or** management," reported the bureau.

● **Allegation:** "A violent campaign against nonstriking employees at a Fremont, Neb., grain bin factory took an ugly turn with recent reports that two thugs pinned down a terrified worker while a third assailant repeatedly and expertly slashed the man with a razor."

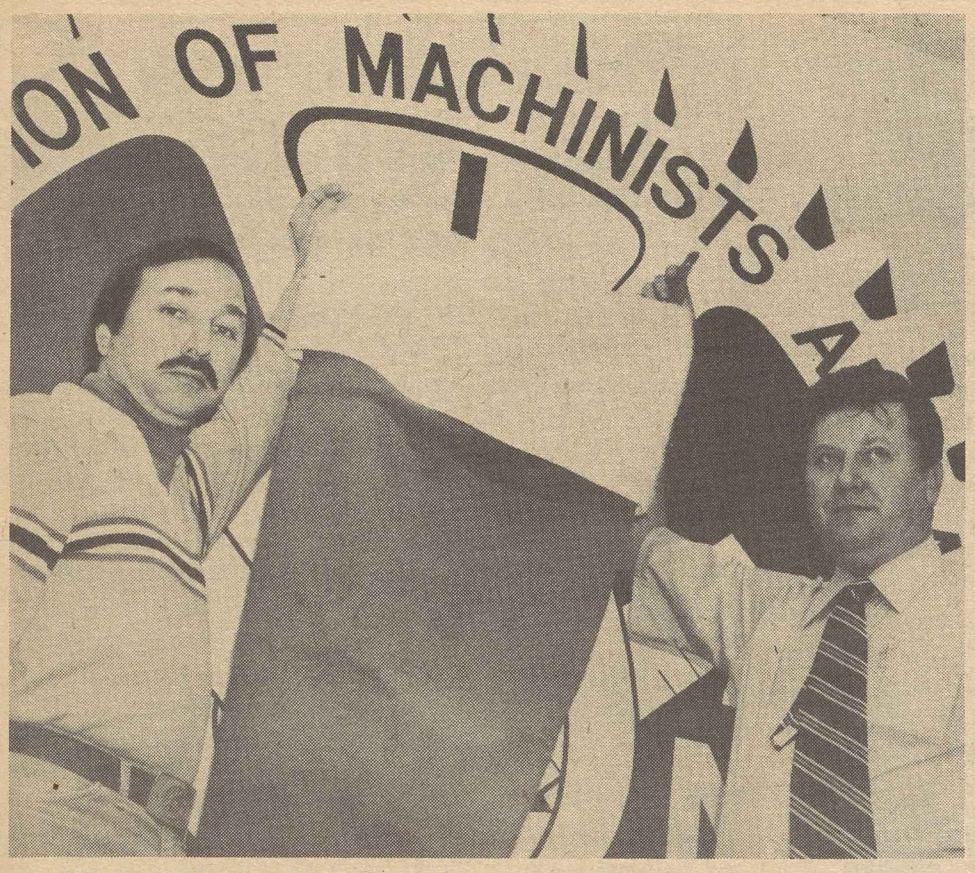
Fact: According to the local police chief, city administrator, city prosecutor and county prosecutor, and the regional office of the National Labor Relations Board, no such incident ever occurred. But local officials reported that a union steward "got beat up pretty bad" and his assailant was arrested.

IN FACT, the National Association of Attorneys General has told Congress that local and state laws are fully adequate to deal with offenses by strikers or employers. And these laws already are backed up by federal laws dealing with such areas of interstate crime as bombings, arson and extortion.

The Hobbs Act amendments, if enacted, would have a chilling effect on workers wanting to exercise their right to strike and picket. And that, it seems, is the main reason it has been proposed.



OVERWHELMING REJECTION of the Administrations' drive to cut social security and other programs for older Americans was voted by delegates to the 1981 White House Conference on Aging despite attempts to rig the conference, AFL-CIO Social Security Director Bert Seidman, second from right, and President Jacob Clayman of the National Council of Senior Citizens, second from left, said. They were questioned on Labor News Conference by Judith Randal of the New York Daily News and Dale McFeatters of the Scripps-Howard Newspapers.



WORKING MEMBERS of Machinists Local 1746 at East Hartford, Conn., filled this six-foot stocking with dollar bills in fund drive for their union brothers and sisters laid off by Pratt & Whitney Division of United Technologies. Local President Bill Rudis, left, and IAM District 91 Rep. Fred Drosehn report fund passed $6,200 mark in 48 hours.

Contract Covering 12,000 Ratified at Groton Shipyard

Groton. Conn.—Workers at General Dynamics' Electric Boat Division here overwhelmingly approved a new contract providing for substantial wage increases and fringe-benefit improvements.

The pact, ratified by a vote of 6,832 to 1,025, was reached more than six months before the old agreement was to expire, the first early settlement at the shipyard in 26 years.

NEGOTIATED BY the Metal Trades Council comprising nine AFL-CIO unions and the unaffiliated Teamsters, the new three-year contract covers 12,000 workers, about 60 percent of the facility's workforce.

Settlement of nearly 3,000 grievances broke the ice after a month of negotiations, according to Council President Thomas Kiddy. The council agreed to drop the backlogged cases in exchange for one-time $100 payments to each worker covered by the settlement. The grievances involved assignment of workers outside their craft.

Under the agreement, all workers will receive a 25-cent hourly raise on Jan. 1 as a bonus for early settlement. General raises will be given at three different intervals over the life of the contract.

FIRST-CLASS mechanics under the pact will receive $2.25 more an hour, including the early settlement bonus, general pay increases and two 10-cent cost-of-living adjustments. This category makes up about 70 percent of the workforce.

The first general wage increase of 75 cents an hour will be made in July 1982. A 55-cent hourly increase will be paid in July 1983, and the final increment in July 1984. Current salaries of workers represented by the council range from $5.61 an hour for first-step, second-class workers to $8.97 for first-class workers.

The council also negotiated significant improvements in employee benefit plans. General Dynamics agreed to increase the amount a worker can have deducted from each paycheck under the firm's Shipyard Savings Investment Program from 4 to 7 percent in the first year, 8 percent in the second, and 10 percent in the final year. The company matches 50 percent of each worker's investment.

PENSION PLAN improvements include addition of a "magic 85" clause allowing a worker to retire with full benefits when his or her years of service and age total 85. Pension benefits were raised from $12 to $14 a month per year of service.

AFL-CIO unions represented by the council are the Plumbers & Pipe Fitters, Machinists, International Brotherhood of Electrical Workers, Molders, Laborers, Carpenters, Boilermakers, and the Office & Professional Employees.

Medicaid Restoration Asked For Low-Income Mothers

A new bill that would restore Medicaid eligibility to low-income working mothers has been introduced in the House with a strong endorsement from the Health Security Action Council.

Its goal is to help working mothers who are being cut off from Aid to Families with Dependent Children benefits because of budget cutbacks and who as a result also face the loss of family Medicaid benefits.

REP. HENRY A. Waxman (D-Calif.) and other co-sponsors of the bill warned that loss of Medicaid benefits could tilt the balance and force many working mothers to give up their low-paying jobs and turn to welfare payments.

Auto Workers President Douglas A. Fraser, who heads the Health Security Action Council, said a strong effort will be made to get passage of the legislation in the second session of Congress. AFL-CIO President Lane Kirkland is secretary of the coalition group, that was formed in the campaign for national health insurance.

By cutting out health benefits as well as wage supplements, Fraser charged, Congress "is driving these people back into welfare" and discouraging others from taikng jobs that would make them self-supporting.

THE PROPOSED legislation would allow states to continue Medicaid coverage for low-income working mothers.

Waxman is chairman of the House Commerce Committee's Subcommittee on Health, which has jurisdiction over Medicaid. Other key co-sponsors include Rep. Harold Ford (D-Tenn.), who is chairman of the Ways & Means Subcommittee on Public Assistance, which deals with AFDC legislation, and Rep. Charles B. Rangel (D-N.Y.), who heads the Ways & Means subcommittee dealing with legislative oversight.

At Annual Meeting

Screen Actors Press Inter-Union Solidarity

Hollywood, Calif.—The insecurities of their industry, coupled with economic conditions, make strong unions necessary for performers, Screen Actors Guild President Ed Asner told the union's annual membership meeting here.

The 800 SAG members at the meeting discussed ways to strengthen solidarity with other performing arts unions, including merger discussions with the Radio & Television Artists and a proposed merger with the Screen Extras Guild.

THE UNION will also review its traditional policy of neutrality in political action and consider playing a more active role in the election process.

Asner denied rumors that a strike by SAG and AFTRA members who make commercials is in the offing. He urged members to "pass the word along" to stop the "misinformation."

Negotiations have begun, he said, "to achieve what we feel is necessary for the welfare of our brothers and sisters in the commercial field—without disrupting our industry."

Asner, who plays the lead in the weekly television series "Lou Grant," was elected president of the 50,000-member union in November.

SAG'S 14-MEMBER national board of directors reported on actions it took in its three-day meeting preceding the convention, including approval of Kendall Orsatti as the new executive secretary.

Orsatti, who joined the SAG staff in 1961, had headed the union's Hollywood office and served as assistant national executive secretary. He succeeds Chester L. Migden who resigned in November.

The board voted to give Migden the union's first Ralph Morgan Award in recognition of his 30 years of service.

A PROPOSED dues and initiation fee increase, approved by the board, will be submitted to the membership in a referendum vote. The proposal, the first in six years, would retain the union's sliding scale dues structure while raising minimum dues by $25 to a total of $75 per year and dues for members earning more than $100,000 to $1,150 per year.

Orsatti said the increase is needed to meet a projected $1.6 million deficit in the 1982 budget caused by higher costs for current programs and the need to increase many services. He added that the "anti-labor climate" in the nation was also a factor driving up costs.

"Five arbitrations used to be a busy year," Orsatti said. "Now we have more than 100 arbitrations a year in Hollywood alone."

THE BOARD approved a memorandum of understanding covering merger with the Screen Extras. If approved by the SEG board, it will be sent to members of both unions for a referendum vote. A membership meeting to discuss the merger proposal has been scheduled for late January preceding the mailing of the ballots.

Both the SAG and AFTRA boards have already acted on the first stages of their merger plans, and SAG Merger Committee Chairman Philip Sterling told the membership that final proposals could be ready for a vote by the end of 1982.

The SAG board broke with the union's traditional non-political stance and approved a resolution denouncing attempts to destroy or weaken gains won by labor in such areas as wages and working conditions, safety and health, job training and placement, civil rights legislation and other social legislation.

THE RESOLUTION called for SAG to "join with others in the labor movement to expand resistance to anti-union tactics and the gains of decades" and to "exercise its rights to affirm and defend itself and its members" by "vigilant participation" in lobbying and politics.

The union's legislative and government review committees will give the board recommendations by Mar. 15, 1982, on the nature of the union's involvement in the political process as it relates to both candidates and issues.

Federal, Postal Unions Fight Cuts in Job Injury Benefits

The AFL-CIO Public Employee Dept. urged Congress to keep faith with federal and postal workers by rejecting an Administration effort to cut back workers' compensation for job-related injuries and illness.

PED President Kenneth T. Blaylock told a House Subcommittee on Labor Standards that the Administration bill is motivated by budget-slashing, not the obligation of fair compensation for incapacitated workers.

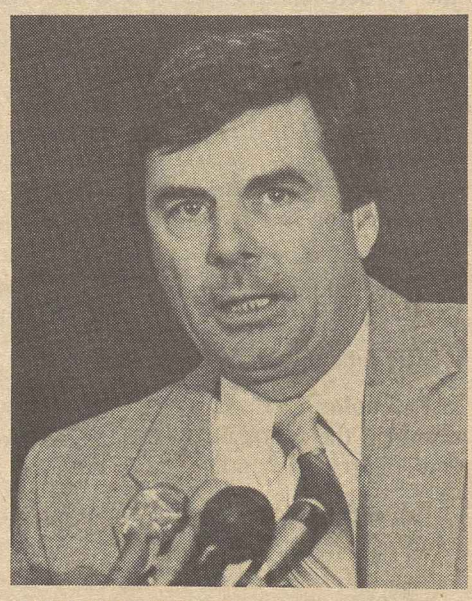
IT WOULD eliminate the present provision for a 45-day period of pay continuation while a disability claim is being processed, lengthen the waiting period for benefits from three to seven days, reduce the existing cost-of-living formula for adjusting benefit payments, and shift disabled workers to lower-paying civil service retirement status at age 65. Other proposed changes would add to the problems of administering the law, Blaylock protested.

Blaylock, who is also president of the Government Employees, was joined by President Moe Biller of the Postal Workers and President Vincent R. Sombrotto of the Letter Carriers in criticizing the bill introduced by Rep. John N. Erlenborn (R-Ill.). The Erlenborn bill is based on Administration proposals made last March in President Reagan's budget message.

ADMINISTRATION of the program could and should be improved, Blaylock told the House panel. More effective safety programs would reduce job injuries, he suggested, and an improved rehabilitation program would make it possible for more disabled employees to return to work.

But the Administration budget axe, he charged, is aimed at destroying, not reforming the program.

In a related area, the Public Employee Dept. urged approval of bills before the subcommittee that would extend for federal police and fire fighter employees the $50,000 special death benefit awarded to families of local and state law enforcement and fire fighting personnel killed in the line of duty. Sec.-Treas. Robert D. Gordon of the International Union of Police Associations also testified on that issue.



NEW PRESIDENT of the State, County & Municipal Employees is Gerald W. McEntee, 46, from Pennsylvania. He was elected by AFSCME's executive board after the death of Jerry Wurf, who had headed the union for 17 years.

Meatpacking Pattern Tied To Security

(Continued from Page 1)

replacing ones that were to have expired next August.

Wynn and UFCW Vice President Lewie Anderson, who heads the union's packinghouse division, said in a statement that the meatpacking industry "as a whole is in sound financial condition," but that the major firms "were rapidly becoming vulnerable to severe competitive pressures from lower wage operators."

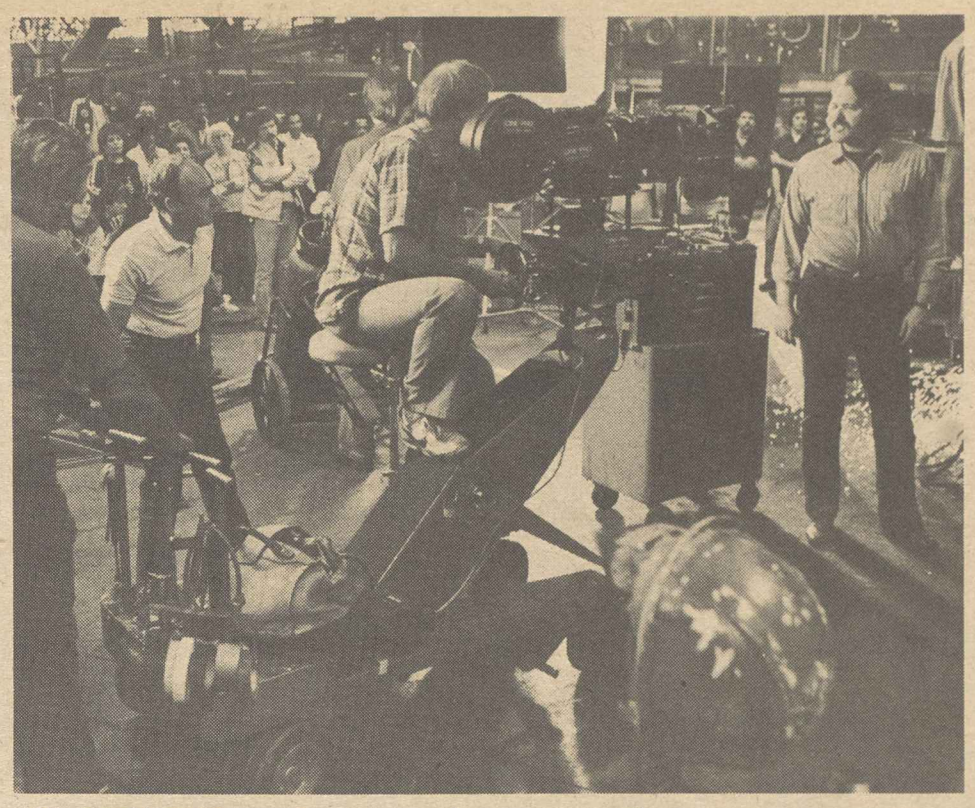
THE NEW PATTERN settlement "cannot correct, nor is it intended to correct, the developing monopoly trend in the meatpacking industry, the lack of capital investment, and mismanagement," Wynn and Anderson observed. But, they said, the settlement will put the major firms "more in line with competitors in the industry and afford the union time to deal with the threat from low-wage operators."

One of the union's main goals in the negotiations was to protect wage increases already won by members rather than allow a rollback. With the exception of one Armour plant, there will be no reduction in current wages or benefits under the new pact.

The new contracts retain the cost-of-living provisions under the old agreements but suspend payments for the duration of the agreements. The firms agreed to a lump-sum payment in December 1983 of COL increases that were due in January and July 1982 under the old pacts, however.

The new contracts also include these major changes:

- Employees will be paid $1 an hour less than the current base rate during their first 60 days of employment, and 50 cents less than the hourly base rate for the next 30 days. The base rate is $10.69 an hour. The lower starting rate is "on an experimental basis and only for the term of the new agreement."
- Effective September 1985, the basic pension benefit rate will be increased from $15 a month per year of service to $17.
- A provision allowing wage reopener talks in September 1984, with the right to strike.
- Additional coverage in basic health insurance.
- Management will provide the union with detailed reports of capital expenditures for each of its plants at the end of every year of the contract.



ON LOCATION in a busy plant, television crews film one of three spots produced by the Auto Workers for airing on local and network programs. UAW members are shown with the products they help make, including the NASA space shuttle, talking about their concern for product quality, job security and the economy. The TV spots are being aired in December and January.

Auto Workers' TV Campaign Focuses on Quality Security

Detroit — Three television spots produced by the Auto Workers will air on network and local stations in December and January.

The 30-second and 60-second messages featuring UAW members will stress the concerns of the union and its members for product quality, job security and a revitalized economy, the union said.

THE ADS BEGAN to air on local stations in mid-December and the first nationwide broadcast is scheduled for Jan. 11, 1982, during ABC's World News Tonight program. Local placements will be concentrated in regions with large UAW membership.

The advertising program is in response to a resolution adopted at the UAW's 1980 convention calling for increased efforts in organizing, education and communications.

Interest and dividend income from the union's strike fund is paying for production of the ads and air time.

UAW President Douglas Fraser said the advertising program will help improve the public image of workers "by taking our message to millions of viewers."

One of the new ads was filmed on a factory floor and features UAW members explaining the union's role in defense production during World War II and its continuing commitment to building quality peace-time vehicles.

Another, filmed at Edwards Air Force Base, Calif., describes the vital role of UAW members in building the space shuttle, again stressing the concern for quality.

The third spot, produced on a farm, features a UAW member explaining that Auto Workers built the tractors shown in the background—"the finest in the world."

EACH OF THE spots ends with the message, "The UAW wants to help make America work again."

Copy for the ads was developed from research by the UAW's Public Relations & Publications Dept. to determine public perceptions about unions and the concerns local union leaders and members wanted to stress to a nationwide audience.

Studies Center Schedule Set for January

Three one-week labor studies institutes and a one-day workshop on stress highlight activities at the George Meany Center, Silver Spring, Md., in January. The programs are open to full-time union officers and representatives.

In addition, five AFL-CIO affiliates will use facilities at the 47-acre campus for their own leadership development programs, as will the Committee on Political Education (COPE) and the American Institute for Free Labor Development (AIFLD).

Nearly 120 unionists working for Bachelor of Arts degrees in labor studies will come to the campus for their semi-annual week of classroom work. The program is run in collaboration with Antioch University, which awards the degrees.

Three additional labor studies programs sponsored by the center will be offered during the month at other locations.

The schedule:

Psychology For Union Leaders, Jan. 4-8—An institute covering the fundamentals of psychology, group dynamics, leadership skills and public speaking.

Educational Techniques, Jan. 10-15—A program on adult education co-sponsored by the AFL-CIO Dept. of Education focusing on discussion methods, role playing, using films effectively, preparing written materials, designing conferences and locating resources and teaching outlines.

Advanced Organizing Techniques, Jan. 17-29—A two-week workshop for experienced union organizers co-sponsored by the AFL-CIO Dept. of Organization & Field Services.

Stress Workshop, Jan. 28—A one-day program to study stress: how to diagnose its causes, how to handle stress at work, and protection for workers that can be negotiated.

The off-campus programs during January include Pension Investment, San Francisco, Jan. 6-8; Secretary-Treasurers' Conference, Williamsburg, Va., Jan. 10-13; and Arbitration: Preparation & Presentation, University of Oregon, Eugene, Jan. 17-22.

Affiliates using the campus for their own leadership training are: American Federation of Teachers, Jan. 4-8; Railway & Airline Clerks, Jan. 10-15; Communications Workers, Jan. 10-29 and Jan. 24-27; State, County & Municipal Employees, Jan. 24-29; Building & Construction Trades Dept., Jan. 31-Feb. 5.

COPE will open this election year with a staff conference Jan. 17-22. AIFLD will bring to the campus 40 Spanish-speaking trade union leaders from Latin America for six weeks of study on trade union techniques.

At the month's end, the campus will start a week's classroom work for trade unionists working for college degrees. Nearly 120 are enrolled in the program.

Information on these and other labor studies programs can be obtained from Fred K. Hoehler, Jr., executive director, George Meany Center for Labor Studies, 10000 New Hampshire Ave., Silver Spring, Md. 20903. Telephone 301/431-6400.

Fuel, Clothing Help Restrain Price Surge

Consumer prices rose another five-tenths of 1 percent in November, slightly higher than October's increase of four-tenths of 1 percent but less than half of September's 1.2 percent, the Bureau of Labor Statistics reported.

The higher retail prices lifted the government's consumer price index to a level that was 9.4 percent higher than a year earlier. Real spendable earnings, or take-home pay stripped of the impact of inflation, rose a slight three-tenths of 1 percent over the month but still were down 3 percent from November 1980.

LESS EXPENSIVE fuel and clothing, combined with small increases in food prices, held the CPI rise to a moderate rate. Clothing costs remained unchanged and transportation costs slowed to about three-quarters of the October rate, increasing nine-tenths of 1 percent.

The housing component of the CPI was up four-tenths of 1 percent. Homeownership costs rose one-tenth of 1 percent, as increases in home financing costs, property insurance, and property taxes offset a 1 percent decline in house prices.

Medical care kept its reputation as the most consistent inflation builder, going up another 1 percent for the month, about the same as in October. Medical costs have climbed by about 1 percent each month since August.

Food costs increased three-tenths of 1 percent, the same as in October. Grocery store food prices rose two-tenths of 1 percent as moderate increases in most food items offset declines in beef, pork, poultry, and dairy products.

Veteran Editor Ken Fiester Dies, An ILPA Pioneer

Lanham, Md.—Kenneth Fiester, veteran labor editor and union publicist, died Dec. 20 at Doctors' Hospital. He had been hospitalized since suffering a severe stroke in early December.

Fiester, who was 70, had been a founding vice president of the International Labor Press Association and served as secretary-treasurer from 1960 to 1969 when he was elected to a two-year term as president of the ILPA.

A NATIVE of Orange, N.J., Fiester went to work in a research laboratory in the early 1930s after earning a degree from Newark College of Engineering. In 1936, he joined the Newark Sunday. Call as a reporter and became active in the Newspaper Guild, serving as local president for six years.

In 1946 Fiester joined the staff of the Textile Workers Union of America as publications editor and public relations director.

He became publications director for the Auto Workers in 1957 and was the first editor of UAW's Solidarity which at the time was a weekly tabloid with seven regional editions.

He left the UAW in 1959 to join the staff of the AFL-CIO Dept. of Public Relations and ten years later went to the Industrial Union Dept. as public relations director and editor of a monthly newsletter.

HE LEFT the IUD the following year and had since been working as a free-lance writer and editor, producing a number of union publications, including the Insurance Worker, the United Shoe Worker, and the Metaletter of the Metal Trades Dept.

Survivors include his wife Marion, two sons, a daughter and five grandchildren. A memorial service was held Dec. 23 at the AFL-CIO headquarters.

The family suggested that expressions of sympathy be in the form of contributions to the Reporters Committee for Freedom of the Press, 1125 15th St. N.W., Washington, D.C. 20005.

Few Labor 'Victories'

Dismal Record Posted By Congress Session

(Continued from Page 1)

of discredited supply-side Reaganomics.

The tax measure hugely rewards the rich, shifts still more of the tax burden from corporations to taxes paid by workers, and starves the federal government of revenue for years into the future.

The reviews of the first session of Congress, which ended Dec. 17, were understandably mixed.

THE WHITE HOUSE reported the President "pleased" with the session. His string of legislative victories included winning Senate approval of the sale of militarily sophisticated AWACS planes to Saudi Arabia as well as budget issues.

The evaluation by Senate Republican Leader Howard H. Baker was cautious and ambiguous. "Men and women will disagree on the policies adopted," he noted, "but almost no one will dispute that this Congress has made more fundamental changes in the public policy of this nation than any Congress in decades."

Democratic congressional leaders didn't mince words. Senate Minority Leader Robert C. Byrd termed the first session record "dismal" and agreed with House Speaker Thomas P. O'Neill, Jr., that its actions helped the rich at the expense of both the poor and middle-income Americans.

THE REAGAN Administration stumbled badly only once during its first-session arm-twisting of Congress. That was when its proposals to reduce social security benefits and severely penalize those who retire at 62 stirred nationwide outrage. But while abandoning its more extreme proposals, the Administration did get Congress to end the modest $122-a-month minimum benefit for future retirees and to subject sick pay to the payroll tax.

Congress did refuse to go along with an Administration proposal that would have required persons receiving unemployment compensation to take minimum-wage jobs after 13 weeks of benefits. Cutbacks in education programs were not as severe as the Administration had sought. And the most directly anti-union attacks were turned back.

Even in the Republican-held Senate, an attempt to eliminate Davis-Bacon Act prevailing wage protection from military construction projects was beaten by a decisive 55-42 vote. Hearings found little support for a subminimum youth wage—although it still remains a threat whenever the minimum wage is next raised. And despite a massive campaign by the free-spending National Right to Work Committee, critics outnumbered supporters of a move to transform the Hobbs Act from a weapon against crime and racketeering to a threat against union members during lawful strikes.

On a strongly-felt issue not affecting the federal budget, the civil rights coalition won an impressive victory in the House with the passage of a bill that both extended and strengthened the Voting Rights Act. Even more remarkable was the co-sponsorship of the identical bill by a bipartisan group of 60 senators—despite the public misgivings that President Reagan expressed on a key section of the House bill.

A TIE VOTE in the Senate Labor & Human Services Committee blocked confirmation of labor-opposed John R. Van de Water, a management consultant in union-busting campaigns, as chairman of the National Labor Relations Board. But a second-session battle still is likely over Administration efforts to bypass the committee and get the appointment ratified.

At the start of the 97th Congress, the Democratic-controlled House of Representatives was seen as the check-and-balance to the Reagan White House and the Republican Senate.

But on the key budget showdowns of the first session, Republican ranks held virtually solid—after a few token concessions to northern Republican "gypsy moths." The Republican minority in the House prevailed with the votes of conservative Democratic "boll weevils" who broke ranks to support the President.

TOWARD THE end of the session, however, there were signs that the GOP unity was fraying as Republican moderates got a first-hand look at what the budget slashes they had supported were doing to their constituents. The President actually lost a budget round when Congress balked at the second round of cuts he had demanded and passed a continuing appropriations veto significantly less damaging.

Reagan's veto of that bill forced a compromise that saved face for the White House—and further damaged the economy. But the confrontation revealed a restiveness in Republican ranks that could signal some shifting coalitions in the second session.



MARCH OF DIMES poster child Richard Wagner is introduced to AFL-CIO Community Services Director Walter G. Davis by Charles L. Massey, right, president of the foundation. The meeting took place at a New York reception announcing the formation of a labor advisory council to the foundation. The five-year-old poster child will be the centerpiece of the promotion for the foundation's 1982 campaign to help combat birth defects.

Effective Voting Rights Bill Sponsored by 61 Senators

Sixty-one senators have joined in sponsoring a Voting Rights Act extension bill identical to the labor-supported measure the House passed last October and stronger than the version President Reagan has advocated.

Senators Edward M. Kennedy (D-Mass.) and Charles McC. Mathias, Jr. (R-Md.) put together the bipartisan group of 40 Democrats and 21 Republicans, with a strong assist from the lobbying efforts of the Leadership Conference on Civil Rights.

THE GOAL OF the civil rights coalition was to get at least 60 sponsors—the number needed to cut off a filibuster and assure a vote on the measure.

The Voting Rights Act, dating from 1965, has often been termed the most effective single civil rights law. It was instrumental in extending the franchise to southern blacks who had been kept from voting by legal subterfuges, harassment and intimidation.

In 1975, the law was extended and broadened to include a requirement for bilingual election material in localities where there are substantial numbers of Spanish-speaking citizens or other language minorities.

WITHOUT congressional action, key portions of the law will expire in August, including the requirement that states and localities whose past voting patterns strongly indicated discrimination must have "pre-clearance" from the Justice Dept. before redrawing election districts or otherwise changing election laws.

The House-passed bill and the bipartisan Senate measure continue these requirements. But starting in 1984, the bill provides a so-called "bailout" procedure that would allow jurisdictions to escape the pre-clearance requirement. They would have to convince a three-judge federal panel in the District of Columbia that they had not discriminated for the past 10 years and had made "constructive efforts" to bring minorities into the election process.

THE BILL also would extend the bilingual requirements until 1992 and make an important clarification in language to offset a 1980 Supreme Court decision.

Civil rights groups have been concerned that the court ruling requiring evidence of "intent" to discriminate would make it greatly more difficult to nullify voting changes that in practice do discriminate against minorities.

To remedy this, the coalition-supported bill would specify that the law had been violated if it were shown that an action had been taken "in a manner which results" in voting discrimination.

At his Dec. 18 news conference, President Reagan reiterated the Administration's opposition to substituting a result test of discrimination for a requirement that "intent" to discriminate be proved. He said dropping the requirement to prove intent in charges of discrimination could lead to racial quotas.

AT A NEWS conference announcing introduction of the Senate bill, Kennedy said the impressive rise in voter registration following the passage of the Voting Rights Act is threatened in some states by "highly questionable" re-registration techniques. "Their ostensible purpose is to purge old records," Kennedy said, "but their timing and methods are clearly discriminatory."

Mathias said supporters of a strong bill will not try to bypass the Senate Judiciary Committee, which is expected to open hearings soon after the second session of Congress opens on Jan. 25. Despite the opposition of Judiciary Committee Chairman Strom Thurmond (R-S.C.), the legislation will be enacted because "our cause is right," Mathias predicted.

Social Security Tax to Edge Up in 1982

Both the social security tax rate and the maximum earnings subject to the tax will go up on Jan. 1.

Most workers will be affected only by the change in the tax rate, which will rise for both workers and their employers from 6.65 percent of covered earnings to 6.7 percent. A worker earning $20,000 a year will pay only $10 a year more as a result of the rise in the tax rate—a total of $1,340 instead of $1,330 under the 1981 rate.

Only persons who earn more than $29,700—which was the 1981 ceiling on wages subject to the social security payroll tax—will be affected by the rise in the taxable wage base to $32,400.

PERSONS EARNING $32,400 a year or more will pay a total of $2,170.80 in 1982—up from the $1,975.05 maximum this year. About 10 percent of employees are in this group. In return for paying more into the fund, they will become entitled to higher future retirement benefits and greater family protection in the event of disability or death.

These other changes also will take effect on Jan. 1:

- The maximum amount that beneficiaries may earn annually and still receive full social security payments will increase from $5,500 for those over 65 and under age 72, and from $4,080 to $4,440 for those under 65. Benefits are reduced $1 for every $2 of earnings exceeding these amounts. As at present, persons 72 and over may earn any amount without any reduction of benefits. The age at which earnings are unrestricted is scheduled to drop to 70 in 1983.
- The amount of earnings required for a quarter of coverage under the social security system will increase from $310 to $340.

Persons covered by the Railroad Retirement System will be affected by comparable increases in the payroll tax and wage base. As under social security, the tax rate will rise on Jan. 1 to 6.7 percent and the wage base will go up. However, the impact of the higher wage base may not be identical since the railroad retirement base is computed on monthly earnings, which fluctuate with overtime pay and other variables.

For 1982, the maximum pay subject to the retirement tax will rise from $2,475 to $2,700 a month.

IN ADDITION to matching the retirement tax paid by workers, employers under the Railroad Retirement Act are required to make a "second-tier" payment which during 1981 was 9.5 percent of up to $1,850 a month. The 1982 rate rises to 11.75 percent of $2,025 a month.

Railroad employers also pay a tax of 8 percent on the first $400 of earnings each month to finance the combined unemployment and sickness benefit program.

The next issue of the AFL-CIO News will be published on Jan. 9, 1982, because of holiday schedules.

The staff of the AFL-CIO News wishes all readers a Happy New Year.

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